The University of Sydney
Faculty of Education and Social Work

Beyond the economics of gender inequalities in microfinance:
Comparing problem representations in India and Australia.

A Thesis submitted for the Degree of
Doctor of Philosophy

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2013
Authors Declaration

This is to certify that:

I. This thesis comprises only my original work towards the Degree of Doctor of Philosophy

II. Due acknowledgement has been made in the text to all other material used

III. The thesis does not exceed the word length for this degree

IV. No part of this work has been used for the award of another degree

V. This thesis meets the University of Sydney’s Human Research Ethics Committee (HREC) requirements for the conduct of research.

Signature(s): .................................................................

Name: .................................................................

Date: 1.6.2014
Acknowledgements

Being confident of this very thing, that he which hath begun a good work in you will perform it until the day of Jesus Christ. Philippians 1:6 (King James Version)

First and foremost I would like to thank God for giving me wisdom, guidance and strength throughout my life. My desire to pursue a PhD began in my early 20s when my father at once challenged and encouraged me to write a book titled ‘Images of Poverty’. While it has taken me a little over a decade to write a ‘book’ with a variation on the topic, I believe the journey has been most rewarding and enriching. Since the first time I officially enrolled in a PhD programme in 2004 at Bryn Mawr College, Philadelphia, USA, to my present enrolment at University of Sydney, Australia, my life experiences have influenced my research topic. My initial topic of interest was in poor women’s self-help groups in India and the types of networks this garnered. Since that time in 2004, I have experienced marriage, career, extended kinship, and motherhood. While these changes broadened my understanding of the world, they also questioned my limited focus on poor women’s networks. I started afresh, with the enquiry of what poor men and women associated with self-help groups wanted ‘to be and do’. In the interest of ‘contributing to the field’ and ‘justification of my study’, I have incorporated two contexts to my study – India and Australia. Nevertheless, the broader inquiry of seeking ‘Images of Poverty’, I believe, remained intact.

My journey was by no means a solo one. It involved partnerships, acquaintances and sheer kindness of strangers. To begin with, I would like to thank Dr. Susan Goodwin, who has moulded and mentored me not just in her role as my supervisor, but also in her role as a
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Abstract

The central goal of the thesis is to critically scrutinise representations of gender inequalities, as they emerge in the practices of microfinance consumption in India and Australia. By examining longstanding gendered microfinance programs in India, the study seeks to draw out lessons to inform the emerging sector in Australia. Extant literature predominantly focuses on the economic aspects of gender inequalities in microfinance. Employing Amartya Sen’s Capability Approach, the thesis opens up the informational space to include economic as well as non-economic aspects of inequalities. The methodology developed in this study provides an alternative to conventional approaches examining the relationship between microfinance and gender inequalities. That is, rather than begin with an apriori notion of what gender inequality is, and how microfinance addresses or does not address it, this study begins with the inquiry of what gender inequalities are (or are represented to be) through the narratives of microfinance program consumers.

Semi-structured interviews were conducted with microfinance program consumers in India and Australia. The episteme of the thesis cast the interview narratives as a particular representation of reality, which were then scrutinised to draw out the associations between gender inequalities and microfinance in both contexts. Therefore the study compared the problem representations, that is, how gender inequalities were problematised in the policy and practice of microfinance in two contexts. Despite differences in historical trajectorities, socio-cultural norms and geo-political configurations between the countries, the study reveals certain commonalities in the normative structuring of gender inequalities.
For example, the association between gender inequalities and microfinance were problematised in relation to i) Accessing finance ii) Accessing market work and business opportunities iii) Expanding formal and informal support networks iv) Accessing educational experiences v) Maintaining the care economy and vi) Securing personal safety.

The thesis concludes with the suggestion that microfinance policy and practice can promote gender equality by intentionally seeking out economic and beyond economic outcomes. This study has opened up a new space to account for gender concerns which celebrates achievements without glossing over injustices and omissions.
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Publications arising out of thesis

Journals


Refereed conference proceedings


*maiden name used in these publications*
### Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AMP. NATSEM</td>
<td>Australian Mutual Provident Society and National Centre for Social and Economic Modelling</td>
</tr>
<tr>
<td>ANAO</td>
<td>Australian National Audit Office</td>
</tr>
<tr>
<td>ANZ</td>
<td>Australia and New Zealand Bank</td>
</tr>
<tr>
<td>A.P.</td>
<td>Andhra Pradesh</td>
</tr>
<tr>
<td>ATSIC</td>
<td>Aboriginal and Torres Strait Islander Commission</td>
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<tr>
<td>AUD</td>
<td>Australian Dollar</td>
</tr>
<tr>
<td>BRAC</td>
<td>Bangladesh Rural Advancement Committee</td>
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<tr>
<td>CA</td>
<td>Capability Approach</td>
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<tr>
<td>CDFI</td>
<td>Community Development Finance Institution</td>
</tr>
<tr>
<td>CGAP</td>
<td>Consultative Group to Assist the Poor</td>
</tr>
<tr>
<td>CGT</td>
<td>Compulsory Group Training</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DtW</td>
<td>De-worm the World</td>
</tr>
<tr>
<td>DWARCA</td>
<td>Development of Women and Children in Rural Areas</td>
</tr>
<tr>
<td>DWCD</td>
<td>Department of Women and Child Development</td>
</tr>
<tr>
<td>FaHCSIA</td>
<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
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<tr>
<td>FICCI</td>
<td>Federation of Indian Chamber of Commerce and Industry</td>
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<tr>
<td>GAD</td>
<td>Gender and Development</td>
</tr>
<tr>
<td>GSY&amp;FS</td>
<td>Good Shepherd Youth and Family Services</td>
</tr>
<tr>
<td>INR</td>
<td>Indian Rupee</td>
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<tr>
<td>IPO</td>
<td>Initial public offering</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>MFIs</td>
<td>Microfinance Institutions</td>
</tr>
<tr>
<td>NAB</td>
<td>National Australia Bank</td>
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<td>NABARD</td>
<td>National Bank for Agriculture and Rural development</td>
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<tr>
<td>NBFC</td>
<td>Non-Banking Financial Company</td>
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<tr>
<td>NGOs</td>
<td>Non-Governmental Organisations</td>
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<tr>
<td>NILS</td>
<td>No Interest Loans Scheme</td>
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<tr>
<td>OECD/DAC</td>
<td>Organisation for Economic Cooperation and Development/Development Assistance Committee</td>
</tr>
<tr>
<td>SHGS</td>
<td>Self Help Groups</td>
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<tr>
<td>SIDBI</td>
<td>Small Industries Development Bank of India</td>
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<tr>
<td>SKS</td>
<td>Swayam Krishi Sangam</td>
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<tr>
<td>SPM</td>
<td>Social Performance Management</td>
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<tr>
<td>TLC</td>
<td>Total Literacy Campaign</td>
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<tr>
<td>UPP</td>
<td>Ultra Poverty Program</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>WID</td>
<td>Women in Development</td>
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### Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Centrepay</td>
<td>A bill paying service offered for free to welfare recipients in Australia</td>
</tr>
<tr>
<td>Coolie</td>
<td>Daily wage earner</td>
</tr>
<tr>
<td>Kirana shop</td>
<td>Convenience store</td>
</tr>
<tr>
<td>Sangam</td>
<td>Microfinance group</td>
</tr>
<tr>
<td>Whitegoods</td>
<td>Electronics essential for household maintenance such as Refrigerators,</td>
</tr>
<tr>
<td></td>
<td>microwaves, washing machines.</td>
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Chapter 1: Introduction

The goal of the thesis is to critically scrutinise representations of gender inequality, as they emerge in the practices of microfinance consumption in India and Australia. This has provided an opportunity to examine the impact of gendered assumptions on the maintenance of hierarchical social relations in both contexts. To this end, the thesis has sought consumers\(^1\) understandings of gender inequalities in the policy and practice of microfinance in India and Australia. Employing the theoretical framework of the Capability Approach (Sen, 1985a,b, 1993, 1995, 1999, 2004) and its insistence on a broader informational space, that is, the ‘capability space’ versus ‘utility space’, this study has made a commitment to exploring both the economic and beyond economic understandings of the impact of the policy and practice of microfinance. Additionally, the methodology developed in this study has provided an alternative to conventional approaches examining the relationship between microfinance and gender inequalities. That is, rather than begin with an apriori notion of what gender inequality is, and how microfinance addresses or does not address it, the approach utilised in this study, began

\(^1\) Language is significant in social policy studies, especially in feminist policy studies seeking empowering and transformatory goals (Eveline & Bacchi, 2009; Lather, 1988; Rönnblom, 2012). Therefore, it is necessary, at this point, to discuss the usage of certain terms. The participants of this study have been referred to as program consumers as opposed to ‘clients’, ‘beneficiaries’, ‘ recipients’ or ‘group members’. The reason for choosing the term program consumers was, firstly, to acknowledge the everyday interactions of participants with the market economy where microfinance services are seen as commodities and the recipients are regarded as customers. Secondly, the language of ‘consumers’ establishes individual rights and agency, minimizing the risk of stigmatizing or marginalizing particular groups of people. Nevertheless, the thesis to an extent carries this risk through the use of terms such as ‘the poor’, ‘non-poor’, and ‘working poor’. The researcher is aware of the epistemological and ontological mismatch of the thesis with the use of such words, but this categorization is specific to the field of study. While acknowledging that use of such terminology could take away subjecthood of the person, the researcher has retained the use of these words in order to continue conversations in the field.
with the inquiry of what gender inequalities are (or are represented to be) through the narratives of microfinance program consumers.

1.1 Aim and research questions

Microfinance refers to “the provision of thrift, credit and other financial services such as money transfer and micro-insurance products for the poor, to enable them to raise their income levels and improve living standards” (Karmakar, 2008, p. 36). It has been championed as a promising strategy to alleviate global poverty (Armendariz & Morduch, 2010). The evolution of microfinance in the global context has been associated with iconic institutions such as Bank Rakayat in Indonesia, BancoSol in Bolivia and Grameen Bank in Bangladesh and Self-Employed Women’s Association in India (Berger, 1989; Ditcher & Harper, 2007; Mohindra & Haddad, 2005). These and other institutions have employed microfinance as a way to target women and attend to gender concerns. Observing this trend, Armendariz and Morduch note that, “To many, microfinance is all about banking for women. Pioneers such as BancoSol and the Grameen Bank were built around serving women, and microfinance networks such as Women’s World Banking and NGOs such as Pro Mujer reinforce the commitment” (2010, p. 211). As such, women represent a majority of the microfinance client base in the developing world.

There is an intense, animated and ongoing debate concerning the potential of microfinance to address poverty more broadly and gender concerns specifically. Feminist appraisals of microfinance programs and policies in developing countries have questioned the potential of programs to ‘empower’ women (Benería, 2003; Fraser, 2009; Kannabiran, 2005; Leach & Sitaram, 2002; Rankin, 2001; Vonderlack-Navarro, 2010). Despite such critiques, the
global microfinance sector has undergone exponential growth. For instance, in 2002, there were 2,572 MFIs servicing around 41,594,778 million poorest\(^2\) people globally. Of these 79 per cent were women. As at the end of 2010, there existed 3,652 MFIs reaching 137,547,441 million poorest people of which 82.3 per cent were women (Maes & Reed, 2012, p. 3). Clearly, the dominant feminist critiques of the program and the increasing demand for programs by poor women reveals inconsistencies. Additionally, there exist both negative and positive assessments of microfinance policies and programs worldwide. It appears that this contradictory picture of microfinance empowering or disempowering women stems from conflicting findings, varied methodologies and use of diverse indicators (Guérin, Kumar & Agier, 2010; Kabeer, 2009) leading one expert to conclude that, “we do not even have a rough sense of who has moved out of poverty and who has not…we have instead a babel of claims” (Ditcher, 2007, pp. 4-5). This thesis aims to build on the feminist critique of microfinance policies and practices and seek out consumers’ understandings of the issue in focus.

Whilst microfinance is often associated with the developing world, it is fast emerging as a viable poverty alleviation strategy in the developed world. For instance, in Australia, microfinance has experienced considerable growth over the last decade with financial impetus provided by federal and state governments, private banking sector and non-governmental organisations. Indeed, in 2009 the Australian Government allocated $33 million for the development of existing microfinance initiatives (Macklin, 2009). The

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\(^{2}\)“Poorest” in the context of developing countries is a reference to families whose income is in the bottom 50 percent of all those living below their country’s poverty line, or any of the 1.2 billion who live on less than US$1 a day adjusted for purchasing power parity (PPP), when they started with the program (Daley-Harris, 2009, p. 44).
Department of Families, Housing, Community Services and Indigenous Affairs established a Financial Management Program in 2009 under which microfinance was allotted $50 million at the start of 2008-09, and increased to 105 million in 2009-10 (FaHCSIA, n.d.a). The funding forecasted for 2012-2013 is 133.7 million (ANAO, n.d.). Microfinance is thus emerging as a significant area of contemporary Australian social policy.

However, microfinance does not have an extensive research base in Australia, particularly with regard to the role of gender. Few research studies conducted by community service organisations have specifically identified unmet financial needs for women due to lack of knowledge and access to financial services (Landvogt, 2008; Macdonald, 2012; WIRE Women’s Information, 2007). But these studies are sparse and have not gained traction with microfinance program developers or policy makers. It is fair to say that gender has not been a variable in the conceptualisation of microfinance policy and practice in Australia. Therefore, the second goal of the study is to attend to this research gap by exploring how gender operates in the policy and practice of microfinance in Australia. In order to achieve this goal, the study is designed to examine longstanding gendered microfinance programs in India, and draw out lessons to inform the emerging sector in Australia. The significant point of departure for this study is that, the literature surrounding microfinance in Australia had focussed primarily on knowledge transfer from other developed countries such as USA, Canada, UK and Europe (Arashiro, 2010; Burkett, 2003; Burkett & Drew, 2008; Cabraal, Russell & Singh 2006; Social Ventures Australia, 2009). This study, seeks to inform the emerging microfinance policy and practice in a ‘developed’ context – Australia – from a ‘developing’ context – India. In other words, the study provides the basis for Australian microfinance stakeholders (i.e., policy makers, service providers, service users
and academics) to learn directly from the experiences of one of the world’s most saturated microfinance non-western markets, India.

The primary theoretical goal of the study is to critically engage with the understandings of gender inequalities. The dominant literature within the international development field conceptualises gender inequalities in terms of efficiency constraints that is differential income, wealth, employment and the like between men and women. Therefore, the response to this problem is increased access to income, wealth, employment, such that the disparities between women and men are reduced. This study sought to find alternate ways of assessing gender inequalities by employing the theoretical framework of the Capability Approach and its focus on economic and non-economic understandings of inequalities. Therefore, the first research goal of the thesis is to explore the utility of the capability approach to critically engage in understanding gender inequality and gender relations in the context of microfinance in India and Australia?

Based on an original qualitative study of microfinance program consumers in both countries, the study positions the participants as ‘experts’ allowing for a critical analysis of the construction of gender inequalities and how these shape policy (non) responses. The nature of the programs in India (gendered) and Australia (non-gendered) provides the critical space from which to examine dominant, marginal and different representation of gender inequalities. The overarching empirical goal of the study is to explore the transferability of microfinance knowledge and practice from India, where microfinance emerged as a popular poverty alleviation tool, to Australia. Specifically, the study will explore the applicability of microfinance initiatives – how the problem is conceptualised,
and assessed – adopted by low income men and women in India to low income men and women in Australia. Therefore, the second research goal of the thesis is, to explore How can ‘knowledge’ from India - about microfinance, gender inequalities and their relationship - be drawn upon to influence the design of microfinance policy and practice in Australia? By comparing and contrasting this type of information from both countries, the study seeks to deconstruct or rather destabilise the binaries in development thought regarding developed and developing countries (Connell, 2007; Kabeer, Stark & Magnus, 2008). Particularly, by comparing the very different historical trajectories, institutional set-up, and socioeconomic constructs, it is possible to draw out rich insights on the varied processes of achieving gender equality in India and Australia.

The study of gender inequalities and microfinance in India and Australia presented in this thesis has been a complex undertaking. This is because, firstly, during the period of the research process, microfinance - particularly in India - moved from being positioned as a relatively well regarded poverty (and, indeed, gender equality) intervention to an almost universally reviled program recast as undermining or contributing to poverty (CGAP, 2010; Sriram 2010a). It became immediately clear and important to explicitly acknowledge that the thesis is not intended as a defence of microfinance, but as an example of a site of representations of gender practices, gender norms and gender change. Secondly, the comparative ambition of this study was not well supported by dominant methodologies employed in comparative and international social policy studies. The approach taken in the study, which focuses on comparing problematisations, is very different to the usual approach of comparing nation states. While the approach taken seeks to avoid the fixing of nations and nation states that occurs in much comparative social policy analysis, it also
became clear that presenting and analysing data from two such different contexts as India and Australia required maintaining a commitment to keeping research participants status as microfinance consumers rather than as Indians, or as Australians, at the forefront. Nevertheless, the research design and the theoretical framework of the study have provided a way to attend to these concerns and have provided a new and innovative way to theorise gender inequalities in contexts of diversity.

1.2 Thesis outline

In order to effectively articulate the purpose and significance of the study, this thesis has been organised into 8 chapters. Chapter 1 introduces the thesis by outlining the aim, research goals and significance of the research study. Chapter 2 provides a systematic account of literature surrounding microfinance policy and practice in two particular contexts – India and Australia. By focussing on origins, key debates and the way in which gender is constructed within microfinance policy and practice in India and Australia, the chapter offers a frame of reference for the examination of the empirical material of the thesis. Chapter 3 furnishes a new or rather alternative way of thinking about the persistent problems of inequalities through the Capability Approach. Firstly, it outlines the dominant understandings of gender inequalities in microfinance, demonstrating the need to seek out consumers’ understandings of the issue. Secondly, it unpacks the conceptual blocks of the capability approach to elucidate its relevance to the research study. Thirdly, a feminist appropriation of the CA is proffered, as a ‘strategic intervention’ (Bacchi, 2012), to reiterate that research is inherently political, and to recognise the inherent transformative feminist goals of this research. Identifying the limitations of operationalising the CA for
the purpose of this research study, the chapter concludes by offering a new and original way in which to align it with the social constructivist perspective.

The methodological orientations of the research study are captured in Chapter 4. It begins by mapping the organisational and research contexts of the study to highlight the policies and practices of microfinance in India and Australia. This is followed by a rationale for social constructivist methodology employed. The next section details the actual methods used to select and collect data in India and Australia. An account of the analytical strategies utilised, to facilitate a critical comparison of data (problem representations) from both contexts, follows. Finally, a note on ethical considerations and limitations of the study brings the chapter to a close. The following chapters 5 and 6 are the data chapters which lay out in great detail the program consumers’ representations of microfinance and how gender operates in the policy and practice. These chapters make extensive use of the program consumer’s quotes in order to elucidate and construct broad themes pertaining to the research inquiry.

In particular, chapter 5 lays out program consumers’ representations of the problem that microfinance is supposed to address. Rather than begin with an apriori notion that microfinance addresses a particular problem (example lack of credit), the research design sought to elicit from program consumers as to what is microfinance for? Such an inquiry provided six particular representations of the problem that microfinance was seen as addressing. They are, i) Access to finance ii) The labour market iii) Family and community support iv) Access to education v) Costs of care vi) Domestic abuse. Each of
these representations was first outlined under the title ‘The problematisation’, followed by a gender analysis of these representations under the title ‘Gender in the problematisation’.

Adopting a similar format, Chapter 6 provides program consumers’ representations of the extent to which microfinance is able to address the problems identified in the previous chapter. The particular analytical technique of apprehending problem representations elicited six representations of what does microfinance do? They are, i) Accessing finance ii) Accessing market work and business opportunities iii) Expanding formal and informal support networks iv) Accessing educational experiences v) Maintaining the care economy vi) Securing personal safety. Each of these representations was first outlined under the title ‘The problematisation’, followed by an interrogation of gender under the title ‘Gender in the problematisation’. Subsequently, the discussions in Chapter 7 bring all the material in the data chapters together to develop significant findings on the gender norms at stake in the two social spaces of microfinance – India and Australia. Specifically, the chapter explores the extent to which microfinance programs are represented by program consumers as destabilising, fracturing, overlooking or reproducing gendered norms. This is done by repeating some of the illustrative quotes used in the data chapters (5 and 6), and linking the themes back to the broader literature. Finally, Chapter 8 brings the thesis to a close by furnishing details on how the research goals were met, how the study contributes to the field and, the potential future research directions emanating from this study.
Chapter 2: Gender and Microfinance – The association

This chapter outlines literature surrounding microfinance policy and practice in India and Australia. The overall aim of this chapter is to delineate the association between gender and microfinance in two very different contexts. The first section provides a synopsis of the literature on gender in international development policy and practice. This offers a grounding for the second section which provides a review of the literature on gender inequalities in microfinance policy and practice. The third and fourth sections examine microfinance in India and Australia respectively, and describe the origins and nature of microfinance programs in both contexts. A review of the key debates surrounding microfinance enables discussion of the ways in which gender inequalities appear to be constructed in microfinance policies and practices. The subsequent section draws out the problems in the dominant constructions of gender inequalities. The chapter concludes with identification of the need for a broader theoretical framework to accommodate alternative conceptualisations of gender inequalities.

2.1 Gender in international development policy and practice

Development, defined as a process of economic, social, cultural and political transformation, has been a pre-occupation of the social sciences since Adam Smith’s *Wealth of Nations* (1776) and Karl Marx’ *Das Kapital* (1867) (Elson, 1999a). However, it was only in 1970, after the publication of Ester Boserup’s *Women’s Role in Economic Development*, that women became visible in theories and practice of development. Since this book, two main approaches have dominated the field – Women in Development (WID) and Gender and Development (GAD). In laying out the historical evolution of the
field, Jane S. Jaquette and Kathleen Staudt (2007) note that WID emerged in 1970s to challenge the male bias in foreign assistance. This approach focussed on integrating women in the development process through increased labour force participation, education and training (Drolet, 2010; Singh, 2007). In the late 1980s, GAD emerged, reflecting theoretical changes taking place in the study of women. This approach put women and development in the context of power relations. For example, in the introduction of a volume unpacking theoretical, empirical and practical approaches to gender and development, Lourdes Beneria notes that GAD introduced the notion of gender as “the social constructions defining men and women, masculinity and femininity, and reflecting the roles and socio-political relations that inform and shape their interaction at all levels of the society” (2001, p. xii).

Both the WID and GAD approaches have managed to insert gender issues into mainstream debates within the international development field as evidenced by the United Nations Fourth World Conference on Women, China 1995. Similarly, out of the eight Millennium Development Goals (MDGs) established by the United Nations and ratified by its member countries, one of them directly concerns gender; goal # 3 – promote gender equality and empower women (Kabeer, 2005). It is indisputable that the notion of gender has found an important place in mainstream parlance and practice in development agencies worldwide. Nevertheless, feminist critics of development policy and practice caution against the loss of critical reflection surrounding gender. For instance, Maxine Molyneux suggests that the repetition of references to gender may, in fact, be causing “gender

1Information about the conference available at:
http://www.un.org/womenwatch/daw/beijing/platform/plat1.htm
2At the United Nations Summit in September 2000 around 190 countries agreed to the Millennium Development Goals.
fatigue” (2007, p. 227) in the field. This has resulted in partial renderings of gender differences and gender ordering, often relegating women’s issues to separate spheres of analyses and action. The World Bank Group Gender Action Plan 2006 report titled Gender Equality as Smart Economics illustrates this point. With a commitment to accelerate MDG # 3, The World Bank Group aims to intensify and scale up gender mainstreaming through women’s increased labour force participation and expanding economic opportunities. This primary focus on economic issues has rendered invisible the political nature of gendered concerns causing gender ennui.

A range of other scholars also contend that the term ‘gender’ in international development debates and policies has become threadbare (Cornwall, Harrisson & Whitehead, 2007; Molyneux, 2007). According to Andrea Cornwall (2007), for example, the original intent to transform unequal power relations has been hijacked through the domestication of the term by development agencies. Recent debates have centred on the loss of political and analytical ‘bite’ of the term, leading to calls for revisiting the gender agenda (Baltiwala & Dhanraj, 2004; Ferguson, 2010; Mukhopadhyay, 2004; Sardenberg, 2007; Woodford-Berger, 2004). In reviewing gender mainstreaming in international development organisations, specifically Swedish models, Prudence Woodford-Berger (2004) observes that there has been an emphasis on mainstreaming in planning at the expense of mainstreaming for social transformation. She cites examples of gender mainstreaming

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5Defined by the UN Economic and Social council as “Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.” Available online: http://www.un.org/womenwatch/daw/csw/GMS.PDF
activities undertaken by international organizations such as establishing and maintaining statistical data disaggregated by sex, gender analyses of budgets, forming gender units/taskforces, integrating gender perspectives into policies and programmes and so on. Whilst appearing to draw attention to gender concerns, Woodford-Berger argues that initiatives such as these fall short of addressing the heart of the matter – unequal power relations.

A variety of reasons for the loss of focus in the gender agenda have been identified, and the primary ones are explored here. Firstly, in mainstream development policy and practice, there has been some slippage whereby gender has come to be understood as a biological difference rather than a social construction. Scholars argue that because women often taken on the primary responsibility for household and care work, and work in informal unpaid work as compared to men, ‘adding women’ to the development agenda carried a moral imperative (Leach & Sitaram, 2002). Chandra Talpade Mohanty (1986) suggests that the incorporation of woman as a category based on biological universals, rather than sociological and anthropological specificities, has led to restrictive agendas for reform. Thus, women’s interests became a descriptor rather than a tool of analysis. Lamenting such reductive practices, Mohanty concludes that women are put into coherent groups such that “sexual difference becomes coterminous with female subordination, and power is automatically defined in binary terms: people who have it (read: men), and people who do not (read: women)” (Mohanty, 1986, p. 344).

Secondly, the representations of women within the field of development continue to essentialise women. Portrayals of women as nurturers, carers, less corrupt than men,
inherently peaceful, closer to the earth and the like, have inadvertently constrained possibilities for women. For example, Melissa Leach (2008) notes that essentialising discourses which conflate environmental and women’s concerns provide the justification for NGOs and donor agencies to promote women’s participation in environmental projects. Through these projects, women are recruited to undertake activities such as tree planting, soil conservation, fruit tree agroforestry and the like without remuneration. She explains that sometimes these activities have no direct benefit to women, providing a Gambian example where women worked on fruit orchards but it was the men (husbands) who had control over the fruit commodities (Leach, 2008, pp.71-72).

Thirdly, it has been argued that amidst competing agendas and limited resources, policy makers and practitioners in the development arena are reluctant to leave familiar territory of poverty, welfare, and efficiency in order to tackle the critical issues of unequal power relations and social justice (Kabeer, 1999; Mukhopadhyay, 2004, Razavi, 1997). Most reputable international organisations - such as United Nations, the World Bank, the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) - and UN member countries (which have signed up for the MDGs) have incorporated gender-sensitive guidelines into their development policies. But, as Molyneux (2007) highlights, the gender guidelines are only advisory, often without penalties for noncompliance. Feminist scholars have indicated that development agencies are wary of the political repercussions that a language of women’s rights and equality might carry. As Maitreyee Mukhopadhyay argues, by separating identity of women as citizen-subject from their identity as mothers, wives, daughters, there is a threat to the social fabric of the society. As such the gender agenda is rendered “ahistorical, apolitical,
de-contextualised and technical” (Mukhopadhyay, 2004, p. 97) with technical fixes that are cost effective, efficient, self-sustaining, replicable on a mass scale and that require limited investment from donor agencies or the state.

Such reductive understandings of gender and gender based inequalities have had negative implications at policy and practice level. Firstly, gender has become conflated with women. With the emergence of mainstreaming efforts, gender issues became equated with women’s issues (although not the original intent of mainstreaming) resulting in the development recipe of ‘add women and stir’. At the policy level, international organisations such as the World Bank, USAID, Department for International Development (DFID), United Nations Development Programme, and the International Labour Organisation have co-opted the concept of gender mainstreaming to emphasise processes rather than outcomes (World Bank Group, 2006; Baltiwalla & Dhanraj, 2004). Elisabeth Prugl and Audrey Lustgarten (2007) assert that feminist agendas have been subsumed under organisational agendas, such that ‘gender equality’ meant quite different things in different organisations: participatory sustainable development for the UNDP, or as dependent on rules of the market for the World Bank. They argue that the appropriation of feminist transformative goals into organisational strategies has transformed “a radical movement idea into a strategy of public management” (Prugl & Lustgarten, 2007, p. 55).

Such restrictive rendering of policies have directly affected the design and implementation of programmes at the practice level. Interrogating the economic development programmes in Honduras, Rebecca Vonderlack-Navarro argues that targeting women versus addressing gender, has led the development agencies to overlook relational and family dynamics in the women’s lives (i.e. children, male relatives/partners). In most cases such strategies have
alienated the men involved in these women’s lives, and resulted in children becoming responsible for earning an income. She asserts that in such approaches “men’s violence or withholding money becomes a strategy to maintain control and reify the woman in a subordinate bargaining position.” (2010, p. 131).

Secondly, gender rhetoric in policy and practice has instrumentalised women. That is, women are the focus of programs as a means to achieve certain ends – such as good governance, sustainable environment, poverty reduction and the like. The United Kingdom’s Department for International Development (DFID) has used such instrumentalist language in conceptualising gender equality in its publication *Gender Equality at the Heart of Development* (DFID, 2007). The subtitle for this publication was “Why the role of women is crucial to ending world poverty”. Narratives which universalise and mythologise women (Cornwall, Harrisson & Whitehead, 2008) depicting them as caring, efficient, peaceful and responsible shift the onus of development onto them. In other words, poor women are left with the burden of addressing the complex nature of poverty with limited structural or cultural changes in their lives. The Total Literacy Campaign (TLC) undertaken by the Indian Government in early 1990s is another example of this instrumentalist focus. Literacy, particularly women’s literacy was seen as instrumental in addressing poverty and exploitation. There was an over-emphasis on functional skills of literacy and numeracy with media advertisements of poor illiterate women learning to sign their name or opening a bank account “to live happily ever after” (Chakravarti, 2008, p. 13). Such reductive renderings trivialised the complex social reality and the structural constraints within which the lives of the poor and marginalised were enmeshed. Therefore, the message delivered by the TLC was that the poor needed to gain
literacy for instrumental purposes of gaining employment and the like, but not to critically reflect, debate and challenge the social structures, norms and practices which keep them entrenched in their lower positions in the society.

Thirdly, the neoliberal ideological framework within which the development industry functions has attended to gender as it relates to productivity and growth enhancement (Molyneux, 2007). It has been suggested that the dominant policies and practices assume control over resources, such as income, education, health and so on, as a proxy for empowerment (Baltiwala & Dhanraj, 2004). But research indicates that in addition to access, the ability to command and allocate resources is equally important, if not more (Chant, 2006). Unfortunately, the emphasis has largely been on quantifiable indicators such as income, literacy, longevity and so forth, with little focus on the life experiences of poor women and men. Programme objectives are viewed in a vacuum overlooking the social, political and cultural contexts of the lived experiences of the poor. Cecilia Sardenberg, a gender consultant to NGOs in Latin America notes that attempts to work on issues of power relations, such as domestic violence, were considered radical. As long as the focus was on providing income generating activities and the like for women, the NGO maintained goodwill, but the moment unequal power structures were questioned, Sardenberg and her team were dropped from the projects for being ‘feminists’. She suggests that Latin American development practitioners have delineated ‘doing gender’ (that is, incorporating women in development) from ‘doing feminism’ (i.e. addressing unequal power relations) (Sardenberg, 2007, p. 58). This section has provided a critique of the conceptualisation of gender and gender inequalities in international development field with important implications for policy and practice within the field. Some of these
arguments will be carried forward in the next section which examines microfinance policy and practice.

2.2 Gender inequalities and microfinance in international development policy and practice.

Microfinance has gained importance since the 1980s within the international development field as an effective tool to alleviate poverty (Armendariz & Morduch, 2010; Hulme & Arun, 2009). It has become a vast global industry involving a continuum of interest groups, ranging from NGOs to corporate banks. Microfinance encompasses a broad range of financial services provided to people or groups of people otherwise unable to access mainstream financial services. Although historically associated with credit and savings, recently microfinance has come to include broader services such as enterprise, insurance and financial counselling (Burkett, 2003; Matin, Hulme & Rutherford, 2002). The Microfinance institutions (MFIs) work on the premise that poor people are unable to engage in income generating activities due to inadequate access to banking, saving, credit, insurance and other financial facilities. Therefore, MFIs around the world concentrate their activities on providing these services, although in different ways in different countries.

The iconic institutions which have influenced the evolution of microfinance have been Bank Rakayat in Indonesia, BancoSol in Bolivia and Grameen Bank in Bangladesh. The Grameen Bank, which gained immense popularity, due to its founder winning the Nobel prize, propounded an approach to poverty alleviation by mobilising marginalised communities through microenterprise loans and group formation. Microfinance, has however also been critiqued as part of the post-Washington Consensus “drawing the benefits of contemporary capitalism down to those with low incomes rather than
promoting alternatives to capitalism” (Hulme & Arun, 2009, p. 1). This critical perspective of microfinance adhering to a market driven neo-liberal framework is shared by some feminist scholars who challenge the possibility of balancing equity with efficiency (Elyachur, 2005; Jakimow & Kilby, 2006; Kannabiran, 2005; Rankin, 2008) They recommend further exploration of the welfare implications of MFIs especially with regard to gender inequalities and the role microfinance can play in addressing it.

Despite such cautions, contestations and criticisms, the global microfinance sector has experienced phenomenal growth since its early days in the 1970s. For instance, by the end of 2002, there were 2,572 MFIs servicing around 41,594,778 million poorest people globally. Of those receiving microfinance services, 79 per cent were women. At the end of 2007, these numbers rose to 3,552 MFIs reaching 106,584,679 million poorest people of which 84.3 per cent were women (Daley-Harris, 2002, 2009). More recent statistics show consistent growth. As at the end of 2010, there existed 3,652 MFIs reaching 137,547,441 million poorest people of which 82.3 per cent were women (Maes & Reed, 2012, p. 3).

While microfinance is not about financial services and initiatives for women alone, it is clear that women form a majority of the client base, especially in the developing world. Longstanding examples of credit programs world over such as The Badan Kredit Kecamatan in Indonesia, The Fundacion Carvajal in Colombia, Fredecredito in El Salvador, Accion Comunitaria in Peru, and the Grameen Bank in Bangladesh included high proportion of women, even when women were not specifically targeted (Berger, 1989).

This association between women and microfinance has become central to the justification for funding microfinance projects. The UN draft resolution on the role of microfinance in
eradicating poverty repeatedly notes the benefits accrued to women, especially the “achievement of their empowerment”, “productive self-employment” and participation in “mainstream economic and political processes of society” (United Nations, 2006, p. 1).

International development agencies have often suggested that women are better credit risks generating higher repayment rates. For instance, the World Bank asserts “(e)xperience has shown that repayment is higher among female borrowers, mostly due to more conservative investments and lower moral hazard risk” (2007, p. 124).

Numerous studies in the field of international development have attempted to explain the focus on women in microfinance. Firstly, women are overrepresented among the poorest of the poor and therefore scholars argue that targeting women to increase their economic resources could potentially lead to their empowerment (Armendariz & Morduch, 2010; Rai & Ravi, 2011). Secondly, studies portray women as carers and nurturers with a tendency to spend a substantial portion of their income on the health and education of their children (Mayoux, 1999; Pitt & Khandker, 1998). Therefore, targeting women is seen as a powerful way of assisting children. And thirdly, it is argued that women are less corrupt and more responsible compared to men and hence their participation in development projects such as microfinance would benefit not only their families but the community at large (Chattopadhyay & Duflo, 2004). Whatever the reasons for serving women, it is impossible to ignore the strong association between gender and microfinance. As such, the microfinance sector becomes a rich repository to explore and understand abstract

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6Research studies from around the world reflect the potency of this argument. For instance, Hulme (1991) reports that in Malawi 92% of women repaid on time compared with 83% of men; Khandker, Khalily and Khan (1995) observe that 15.3% of male borrowers in Bangladesh were struggling with their repayments as compared to 1.3% of female borrowers. Kevane and Wydick (2001) note that in Guatemala, female credit groups had better repayment records than male credit groups; and more recently, D’Espallier, Guerin and Mersland (2011) using 350 MFIs in 70 countries over 11 years find compelling evidence that focussing on female clients enhances the MFIs repayment record and that women are on average, good credit risks.
theorising of gender inequalities and examine how gender inequalities are conceptualised, assessed and addressed.

A review of the mainstream feminist critiques of the global microfinance policy and practice highlights the dominant understandings of gender inequalities. For instance, empirical studies have shown that inconsistent understandings of the concept, gender, prevail in practice where the programmatic success\(^7\) of microfinance interventions has undermined the transformative capacity of gendered programs (Ferguson, 2010; Fernandez, 2012; Jakimow & Kilby, 2006; Kannabiran, 2005; Kilby, 2006; Thorpe, Stewart & Heyer, 2005). In their critique of participatory intervention programs with poor women in India, Tanya Jakimow & Patrick Kilby (2006) assert that gendered microfinance programs rarely challenge the norms which entrench women’s unequal position in society. They argue that non-governmental development organisations, in their keenness to maintain goodwill of the community, work within the patriarchal structures for program implementation rather than challenge them. They contend that by equating self-worth to financial contribution (for example in the case of microcredit programs), these organisations further reinforce the norm that domestic and reproductive work is of less value, consequently women are cemented into marginal positions.

Other critics have suggested for example, that the representation of women as deserving and creditworthy as compared to men is an ideological cover used to implement a loan program via a group that is less mobile, easier to monitor and more likely to succumb to the pressure of repayment (Kannabiran, 2005; Rahman, 1999). Another critical feminist

\(^7\)Programmatic success is evaluated based on proxy indicators which are easy to measure such as income, death rates, longevity etc. It rarely includes non-quantifiable indicators such as well-being, choice, self-determination and the like.
narrative in the microfinance literature is that loans made to women are in practice controlled by their male kin (Goetz & Gupta, 1996; Leach & Sitaram, 2002). For instance, Supriya Garikipati (2008) refers to the ‘impact-paradox’ whereby loans to women may benefit their household but do not necessarily benefit the women themselves. Garakipati suggests that women’s lack of authority over family assets means that loans to women can potentially lead to domestic dissidence and disempowerment of women. These types of critiques suggest that autonomy and independence are important characteristics in the project of addressing gender inequalities. Critics therefore put forth recommendations such as the “patriarchal hold on family’s productive assets needs to be challenged” (Garikipati, 2008, p. 2638) and the need for “women (to) develop meaningful control over their investment activities” (Goetz & Gupta, 1996, p. 45).

In addition to concerns about entrenching rather than addressing gender inequalities, feminist critics of microfinance have been concerned with the synchronicity of microfinance with neoliberalism. For instance, they argue that microfinance programs collude with neoliberal rationalities to cultivate gendered subjectivities of the “entrepreneurial, empowered and nurturing ‘rational economic women’” (Rankin, 2008, p. 1975). Critics have cited for example, a change in the nomenclature of program subjects from ‘beneficiaries’ with social rights to ‘clients’ with responsibilities to be indicative of the neoliberal influence (Fraser, 2009; Benería, 2003; Rankin, 2001). The neoliberal narrative, of the entrepreneurial poor woman who saves and repays regularly and is committed to the wellbeing of her family, is implicated in entrenching existing gender inequalities. Such critiques imply that microfinance programs in their articulation as “roll-out neoliberalism” (Rankin, 2008, p. 1967) are unable to address the structures of gender
inequality.

2.3 Gender inequalities and microfinance in India

The focus of this thesis is on the experience of microfinance programs in India and Australia. As such, it is important to develop an understanding of the specificities of the development of microfinance in both contexts.

2.3.1 Origins and nature of microfinance.

In India there are over 120 million households which are regarded as financially excluded (FICCI, n.d.). This means that for 120 million households, financial services and products are not accessible, not affordable and sometime not available. Financial inclusion has been defined by the Government of India Committee on Financial Inclusion as “the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost” (NABARD, 2008, p. 1). This committee argues that financial services allow the poor to save money outside the house safely, help in mitigating risks due to economic shocks and also prevents concentration of economic power with a few individuals. Drawing a link between prolonged deprivation of financial services and the potential for exacerbating social tensions and causing social exclusion, the Government of India has made financial inclusion an explicit strategy for achieving inclusive growth (FICCI, n.d.; NABARD, 2008, 2009).

The Indian microfinance industry germinated in government programs of the 1970s and 1980s which sought rural credit expansion as a way to serve poor people living in rural areas (CCAP, 2010; Taylor, 2011). The State of the Sector Report claims that the Indian
microfinance sector is the fastest growing market with a loan portfolio of US $ 252 million in 2005 which increased to US $ 3.8 billion in 2010 (Srinivasan, 2010). Several studies have distinguished the microfinance sector in India into two broad categories – *Self Help Group-Bank Linkage (SHGs)* model and *Microfinance Institutions (MFI)* model (Batra & Sumanjeet, 2011; Gaiha & Nandhi, 2008; NABARD, n.d.; Reserve Bank of India, n.d.; Thorat, 2005). The apex national bank for Agriculture and Rural development (NABARD) designed and piloted an SHG program, between 1992 – 1995, which linked groups of 10-20 women with banks to overcome financial constraints. The design feature included identification of women, formation and nurturing of groups by NGOs or banks, initial period savings, followed by collateral free loans from banks in proportion to the amount saved by the group. According to NABARD, the design aimed to combine “collective wisdom of the poor, the organisational capabilities of the social intermediary and the financial strength of the Banks” (as cited in Misra, 2006, p. 7).

Experts in the field of Indian microfinance contend that the SHG model is by far the most dominant, in terms of the number of borrowers and the loans outstanding, earning the title of “largest microfinance programme in the world” (Gaiha & Nandhi, 2008; Ghat, 2006; Reserve Bank of India, n.d.; Swain & Wallentin, 2009). This model began with 255 SHGs in 1992-93 and increased to 4,145,191 SHGs in 2008-2009. The cumulative disbursement of bank loans increased from 2.89 million in 1992-93 to 169.9 billion in 2007-08 (Batra & Sumanjeet, 2011). While the SHGs are community-based with low interest rates, it has been argued that this model suffers from the limitations of declining repayment rate, dependence on government subsidies and inability to cover transaction costs (CCAP, 2010). In addition, it has been suggested that the patronage enjoyed by the
SHGs from the state and national governments implied that they had become a medium of “populist linkages between the ruling party and the rural sphere” (Taylor, 2011, p. 489). Misra argues that a tolerance of loan defaulters, increased loan waivers, lax monitoring and appraisals of loans resulted in a model that is “quantitatively impressive but qualitatively weak” (Misra, 2006, p. 7).

In contrast to the SHG model, the MFI model emerged to fill the gap between the demand and supply of microfinance and was operated by NGOs and private companies (Batra & Sumanjeet, 2011; Imai, Arun & Annim, 2010). As of March 2009, the total number of credit accounts with banks in India was around 110.1 million which is just 18% of the adult population in the country. Both SHG and MFI models taken together cover only 50% of the 120 million financially excluded households (FICCI, n.d.). These figures demonstrate a great demand for credit services especially among marginalised groups. The MFI model is extremely heterogeneous comprising of NGOs, Cooperatives, Trusts, Societies and Non-Banking Financial Companies (NBFCs)\(^8\). As such, the credit delivery models are numerous. Some NGOs are engaged in nurturing SHGs and link them to formal banks, while others borrow from banks and lend directly to borrowers. Still other MFIs borrow in bulk from banks and/or raise capital through the markets (selling shares on the stock market) and lend directly to the borrowers. Commenting on the recent commercialisation of microfinance in India, Sriram (2010b) notes that the microfinance presence in India can be seen in three distinct waves. The first wave focussed on the

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\(^8\) MFIs operating under various legal forms are i) NGO MFIs – Registered under Societies Registration Act, 1860 and/or Indian Trust Act, 1880, ii) Cooperative MFIs – Registered under State Cooperative Societies Act or Mutually Aided Cooperative Societies Act (MACS) or Multi-State Coop. Societies Act, 2002, iii) NBFC MFIs under section 25 of Companies Act, 1956 (Not for profit) and iv) NBFC MFIs incorporated under Companies Act, 1956 & registered with Reserve Bank of India (Batra & Sumanjeet, 2011, p. 14).
methodology of reaching the poor through a scalable model such as the Grameen model. The second witnessed the MFIs reach scale but pursued methods to become commercial. And the third wave was defined by mainstream commercial institutions adopting microfinance, regarding it as a sound business investment.

2.3.2 Key debates.

The key debates in the India microfinance sector are predominantly centred on issues of Sustainability, Outreach and Impact. Referred to as the ‘triangle of microfinance’ in the international literature on microfinance (Zeller & Meyer, 2002) these three areas represent challenges as well as opportunities for microfinance. Sustainability is understood as the ability to cover program costs and ensure continuity of services. Outreach is defined as ability to reach the poor both in terms of numbers and depth of poverty. And Impact refers to the discernible changes in the client’s life since participating in the program. These three issues were considered highly interdependent and presented several challenges for the sector.

The key debates on sustainability revolve around the ability of microfinance to operate on an on-going basis. During the initial years of microfinance in India, sustainability was largely ignored since most programs were dependent on subsidies and funding from foreign donors (CGAP, 2010; Srinivasan, Agashe & Garriott, 2011). This led to a high rate of loan delinquencies and rent seeking behaviour where subsidies were cornered by the non-poor (Kalpana, 2008). Soon, it became evident to the microfinance sector that continued funding was difficult. During this period two main approaches to microfinance and poverty alleviation emerged: The Financial Systems Approach and the Poverty
Lending Approach (Robinson, 2001). While both shared the similar goal of reaching the poor, they differed in their approach to achieving it. The financial systems approach emphasised commercial profitability in order to cover the costs of servicing the poor. On the other hand, the poverty lending approach advocated subsidised credit, arguing that the poor and marginalised would be unable to afford high interest rates. In seeking out a middle ground, the majority of the MFIs now have a dual mission of reaching poor clients and being profitable (Morduch, 2000).

Unpacking sustainability in microfinance, Vijay Mahajan (2008) has provided four useful dimensions. The first, sustainability of demand, which interrogates the value of credit only services and seeks complementary services such as savings, insurance and livelihood promotion in order to enhance income and generate sustained demand for microfinance. The second and most often used dimension, financial sustainability, refers to covering costs of servicing the poor which include i) Cost of funds, ii) Operating costs iii) Bad debt costs iv) Profit to maintain capital adequacy\(^9\). This dimension highlights the development of innovations in technology and service delivery for minimising costs. Organisational sustainability, the third, deals with issues of who owns, governs and manages the MFI since these factors determine the MFIs ability to balance the dual mission – focus on poor as well as maintaining profits. Additionally, this dimension underscores the importance of attracting and retaining effective human resources in MFIs – from barefoot village level book keepers to head office accountants. The last dimension, sustainability of mission, brings to fore the critical issue in Indian microfinance literature – mission drift (CGAP, 2010; Nair, 2010; Sriram, 2010a; Zerai & Rani, 2012). It is the phenomenon in which

\(^9\) For a breakdown of how these costs vary as the MFI evolves, refer to Table 6.1 in Mahajan, 2008, p. 100.
MFIs in their quest to become profitable lose their focus of serving the poor and instead serve the non-poor or entrepreneurial poor only.

The second key debate of outreach is concerned with the ability of microfinance to work for certain populations. Outreach of microfinance programs is measured by the number of clients served (breadth) and the poverty status of the clients (depth). Using indicators such as housing, assets, food security, income sources and national poverty line, categories of wealth are created to analyse the depth and reach of microfinance. These categories are Very Poor, Poor, Borderline and Non Poor. Studies have observed that MFIs cater to both poor and non-poor clients as a practical strategy to maintain sustainability (EDA rural systems, 2005; Srinivasan et al., 2011). The depth of outreach is measured by loan size, the assumption being, the smaller the loan size the poorer the clients. In addition, it is also measured by gender, that is, if the majority of clients are women then programs are seen to indicate better depth (Zerai & Rani, 2012). On the other hand the breadth of outreach is measured by the number of active borrowers. Although the outreach in terms of breadth is on the increase, the debate continues with regard to outreach in terms of depth (Mooij, 2002; Pattenden, 2010). Notwithstanding the widespread documentation that 90% of the borrowers are women, questions are raised regarding their wealth ranking, that is, whether they are very poor, poor, borderline or non-poor.

Proponents of the financial systems approach assert that dealing with very poor clients is not appropriate for commercial MFIs as this group is not ‘credit worthy’. Several researchers have argued that unit costs for smaller loans are high as compared to unit costs for larger loans (Conning, 1999; Lapenu & Zeller, 2002; Paxton & Cuevas, 2002). Thus

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10 For a detailed table refer to EDA rural systems, 2005, p. 3.
the trade-off between sustainability and outreach could potentially limit the mission of MFIs, which is lending to the poor. While there are surprisingly few empirical studies on this issue, one comprehensive study comprising of 124 MFIs in 49 countries (Cull, Demirguc-Kunt & Morduch, 2007) found evidence of a trade-off between sustainability and outreach. Similarly, a more recent empirical study using 435 MFI from around the world has found strong evidence that outreach is negatively related to sustainability of MFIs. Specifically this study demonstrated that those MFIs with lower loan sizes and more women borrowers are less efficient (Hermes, Lensink & Meesters, 2011). This controversial debate of sustainability vs. outreach raises the critical issue of impact.

The key debates on impact are centred on the ability of microfinance to affect change. The debates contend that if the MFI is unable to make an impact in the lives of its clients, then it is of limited consequence whether the MFI has achieved sustainability and/or outreach. Historically, impact assessments were often focussed on justifying external funding rather than offering lessons to improve services. But more recently the Indian microfinance industry has adopted a system known as Social Performance Management (SPM) which encourages the MFIs to align their systems, policies and processes with its mission, goals and targets (Srinivasan, 2010). While the financial systems approach has put loan portfolios on centre stage, the SPM attempts to bring relationships with clients to the forefront. Advocates of SPM assert that it helps to maintain portfolio quality by listening to clients, adapting products and services suitable to clients’ needs, hiring and retaining right staff, and constantly learning to realign mission, goals and targets to provide quality service to the poor. Scholars arguing for the uptake of SPM system in MFIs have associated good social performance with enhanced financial performance through client retention, increased public reputation resulting in investor interest and growth
(Bedecarrats, Angora & Lapenu, 2009; Sinha & Chaudhary, 2009). On the other hand, since tangible benefits for the financial organisations are not yet in sight, senior management of MFIs in India view SPM as costly and time consuming (Srinivasan, et al., 2011).

### 2.3.3 How gender inequalities appear to be constructed?

Women form 48.2% of the total population in India as per the 2010-2011 annual report of the Ministry of Women and Child Development (Government of India, 2011). While the principles of gender equality were enshrined in the Indian Constitution in 1949, scholars describe Indian women as poorer, more excluded, less healthy and generally more disadvantaged in comparison to men, across all social groupings (Tesoriero, 2005; Torri & Martinez, 2011). This status of women has been variously attributed to the patriarchal, patrilineal and patrilocal cultural context of the country (Bhatti, 1990; Go et al., 2003; Mogford, 2011). Unequal gender relations are regarded as historically rooted in customs, religious scriptures and social norms. For example, the women’s movement of the early 1970s highlighted that women in India were subordinated through marriage practices such as dowry\(^{11}\) (Panchanadeswaran & Koverola, 2005). While scholars and activists note visible improvements in the present position of women in India, especially conspicuous in their participation in previously male dominated spheres, nevertheless centuries-old practices of child marriages, dowry deaths, infanticides and sex-selective abortions still continue (Nayar, 2011; Thekaekara, 2011).

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\(^{11}\) Dowry or gift giving by the bride’s family is an ancient practice in the Indian culture dating back to second century BCE wherein a women’s share of her father’s moveable property was given to her at the time of marriage. The onset of colonisation and modernisation had changed dowry into a practice of bargaining and deal making on the part of the groom’s family rendering the young bride vulnerable to being beaten, burnt to death or pushed to commit suicide (Ahmed-Ghosh, 2004).
A significant aspect of the construction of gender inequalities in India has been a focus on financial and economic inequalities pertaining to women. In the 1980s the State established different cells to coordinate development programs for women, especially those relating to income generation, literacy and health schemes and extension of credit facilities (DWCD, 2001). With such a contextual understanding of gender inequalities, microfinance in the mid-1980s emerged as an ideal tool developed by the State to address poverty and disempowerment of women (Holvoet, 2005; Morgan & Olsen, 2011; Panda, 2009; Vijayanthi, 2002). A majority of microfinance programs, particularly those sponsored by the State, targeted women with the explicit goal of empowering them. Akin to the more general literature on global microfinance (a large part of which is drawn from research on Indian microfinance practices) observers and commentators have suggested a variety of reasons for targeting women in India. Firstly, since women are amongst the most vulnerable group, it is assumed that increased earning capacity contributes to their empowerment (Puhazhendi & Badatya, 2002; Swain & Wallentin, 2009). Secondly, evidence from literature shows that increase in women’s resources benefits the rest of the household, especially children (Hannover, 2005; Pitt & Khandker, 1998; SIDBI, 2008). Thirdly, women members are assumed to be responsible and reliable borrowers as opposed to men who ‘squander loans on unproductive consumption...for example, alcohol and “other” women’ (Edward & Olsen, 2006, p. 33).

The literature presents both positive and negative evaluations of microfinance and its impact on women in India. Studies conducted in different parts of India have concluded that positive outcomes are on the rise especially in relation to income, expenditure,
employment, savings and literacy of the participating households (Arun, Arun & Devi, 2011; Gaiha & Nandhi, 2008; Panda, 2009). A study by Katsushi Imai et al., (2010) focuses on the impact of microfinance on the household found significant positive effects on multidimensional welfare indicator, the Indexed Based Ranking Indicator. This indicator captured aspects such as land holdings, livestock, salaried income sources, housing, transport assets, and access to sanitation facilities (2010). Based on national-level cross sectional household data set from India in 2001, this study found that in rural areas there was a larger poverty reducing effect when households took loans for productive purposes. In the urban areas, simple access to loans had larger poverty reducing effects than taking loans for productive purposes. While this is positive affirmation for MFI seeking to scale their operations, it is however disconcerting that impact assessments are based on ‘household’ rather than individually on men, women and children within the household, or on the relations between the members of the household. It is clear from such studies that there is an inherent assumption that all members of the household work in harmony and household welfare translates to individual member’s welfare.

In contrast to positive assessments, there is a large body of evidence gathered by feminist scholars who argue that microfinance in India has not maximised its potential to empower women (Baltiwala & Dhanraj, 2004; Jakimow & Kilby, 2006; Kannibaran, 2005; Raju, 2005). These researchers have observed that microfinance can risk cementing women into informal and casual labour. In addition, a focus on economic contributions alone could render reproductive and domestic work invisible and marginalised in microfinance discourse and practice. These scholars believe that microfinance remains within, rather than challenges, social norms which relegate women to subordinate positions in society.
For instance, Jakimow and Kilby claim that microfinance programs overlook gendered norm producing gendered practices such as “males eating first, women not seeking medical attention, and suspicions of infidelity of mobile women” (2006, p. 392). The focus on changing women’s economic position, at the cost of ignoring entrenched social structures and norms is evident in such critiques. These feminist assessments of microfinance in India resonate with feminist appraisal of microfinance in the international development field.

2.4 Gender inequalities and microfinance in Australia

2.4.1 Origins and nature of microfinance.

In the year 2010 around 15.6% or 2,650,000 of the adult population in Australia was regarded as either fully or severely financially excluded (Connolly, Georgouras, Hems & Wolfson, 2011). The Centre for Social Impact has defined financial exclusion as existing when “individuals lack access to appropriate and affordable financial services and products – the key services and products are a transaction account, general insurance and a moderate amount of credit” (Connolly et al, 2011, p. 5). Recent research studies have concluded that financial exclusion reduces an individual’s ability to fully participate in social and economic activities exacerbating social exclusion and poverty (Arashiro, 2011; Bodsworth, 2011; Burkett, Sheehan & Brotherhood of St. Laurence, 2009; Corrie, 2011; Mouy, 2010). While the community sector was the “first in the field” (Corrie, 2012, p. 6) of Australian microfinance, the most prominent program being the No Interest Loan Scheme (NILS) offered by Good Shepherd Youth and Family Services (GSY&FS), government support for microfinance is fast growing. In 2009, the Department of Families, Housing, Community Services and Indigenous Affairs established the Financial Management Program to consolidate the government’s financial management support services which included
emergency relief, financial counselling, Home Energy Saver Schemes, Community Development Financial Institutions and microfinance. Under this program, microfinance was allotted $50 million in 2008-09, and this amount increased to $105 million in 2009-10 (FaHCSIA, n.d. b). The funding forecast for 2012-2013 is $133.7 million (ANAO, n.d.). As such, Microfinance has come to be considered a significant area of contemporary Australian social policy.

It is within such a policy context that microfinance has been regarded as a legitimate poverty alleviation strategy in the Government, Non-government and corporate sectors. The literature reveals that microfinance as a concept, although not as a term, has existed historically in Australia through credit unions and friendly societies which provided mechanisms for small-scale savings, loans and other types of financial assistance (Burkett, 2003). Indeed microfinance as a tool for poverty alleviation and empowerment was experimented in indigenous communities in Australia, albeit with limited success (McDonnell, 1999; Moyle & Dollard, 2008). The Grameen model of microfinance was trialled by the Aboriginal and Torres Strait Islander Commission (ATSIC) in mid 1990s but an analysis of the program by McDonnell (1999) identified barriers to accessing credit due to low population density, high transport costs, lack of employment opportunities, poor credit history, welfare disincentive and cultural interdependencies. Furthermore, stringent eligibility criteria for the loans excluded a majority of the indigenous people thereby deterring the uptake of these programs.

While there are similarities in the purpose and principles of microfinance, as deployed in India and in Australia, to alleviate poverty and improve quality of life, there are
nonetheless fundamental differences in program design (Corrie, 2012; Dale, Feng & Vaithianathan, 2012). In Australia the focus of design is on reducing financial exclusion as opposed to directly increasing earning capacity (via investments in microenterprise). This is because, the role of microfinance in Australia is to resolve the lack of access to safe, fair, affordable credit for people on welfare receipt and provide pathways to engage in mainstream financial institutions. Additionally, programs are predominately located in community service organisations and often accessed as one of many services offered by these organisations. Currently, there exist an array of microfinance initiatives in Australia aimed at assisting financially disadvantaged groups. These include various partnerships between community and corporate sectors such as the Brotherhood of St. Laurence and ANZ, Good Shepherd Youth and Family Services and National Bank of Australia and Westpac and Cape York Community in Queensland. Since the discussions surrounding microfinance policy and practice in Australia are couched in terms of financial exclusion, the mainstream microfinance goal is to provide access to fair financial products and services. The most popular products and services which have been developed are personal credit; enterprise development loan; savings; insurance; financial education; bill payment (Burkett et al., 2009; Cabraal et al., 2006). The earliest and longest running microfinance product is the No Interest Loans Scheme (NILS) administered by Good Shepherd Youth and Family Services and National Bank of Australia in 1981 (Corrie, 2011; Dale et al., 2012). NILS provides small loans with no interest or charge to people on low incomes to purchase essential household items. In the financial year 2004/2005, the total amount loaned was $2.8 million growing to a total of $18 million in 2012 (Good Shepherd Microfinance, 2012, p. 9). Other products such as AddsUP, StepUp Loan, Saver Plus,
Microenterprise Loans, Indigenous Capital Assistance Scheme, MoneyMinded, and Concession Bank Accounts are also aimed at people with low income.

2.4.2 Key debates

Akin to the debates on microfinance in India and elsewhere, issues of sustainability, outreach and impact are also present in discussions of the Australian microfinance sector. As Burkett et al state, “a sustainable program is likely to be one that can also demonstrate clear impacts over time, and that has sufficient scale and depth of reach so that these impacts can be achieved sustainably over time” (2009, p. 7). As already noted in the previous section, microfinance in Australia has been placed within a larger debate on financial inclusion. Thus, it is argued that through asset building, ameliorating financial stress and combating financial exploitation, microfinance programs in Australia seek to establish pathways to mainstream financial services (Mouy, 2010, p. 16). Therefore, the discussion surrounding sustainability, outreach and impact have been couched in financial terms. In other words, the root causes of financial exclusion are linked to lack of access to fair, safe and affordable financial products and services, therefore responses are concentrated on providing access to these products and services in an efficient manner.\(^{12}\)

Unpacking the debates on sustainability within Australia, it appears that a great deal of attention is given to the subject of what constitutes a fair interest rate for loans (Burkett et al., 2009; Burkett & Drew, 2008; Howell, Wilson & Davidson, 2008). A study conducted by the Boston Consulting Group in 2006 found that in Australia a microenterprise development program would cost 72 cents for every dollar lent (NAB, 2006, p. 15) in

\(^{12}\) Efficient here is used in its understanding as return on investment. Burkett et al., explain this as “Are we maximising our benefits in relation to the costs and are we getting value for our investment?” (2009, p. 25).
order to be sustainable. The National Australia Bank’s report on “Small Loans Pilot” found that an average loan size of $3,000 would require an interest rate between 30% to 35% to remain sustainable (NAB, 2010, p. 40). While these studies highlight high transaction costs in operating small loans, other studies have identified in-built assumptions in the mainstream financial markets about lending to people on low income. Assumptions such as high risk lending, greater brand reputation risks and poor money management skills exclude the poor from access to credit (Arashiro, 2010; Burkett & Drew, 2008; Dale et al., 2012; Landvogt, 2006). While a cost benefit analysis is important for transparency, accountability and financial sustainability of programs, the social value of programs is often overlooked. As a result, there is a growing call for more sophisticated analyses which can provide a more nuanced understanding of return on investment “both in market terms...and in impact terms” (Burkett et al., 2009, p. 10).

Debates on outreach of microfinance have focused on two dimensions – scale and reach. Scale refers to the number of people who have access to the program, while reach relates to how poor the people the program targets are. There is currently limited empirical data on the dimensions of scale and reach especially for the Australian microfinance field as a whole. Although individual program estimates are available, links between demand and supply of microfinance in Australia are lacking (Burkett et al, 2009). For instance, the NAB Microenterprise Loans program issued 183 loans during March 2007 to July 2009 (NAB, 2008), the No Interest Loan Scheme set up by Good Shepherd Youth and family services in partnership with NAB issued loans to over 4,000 borrowers between 2007 – 2008 (NAB, 2009) and Progress Loans program offered by the partnership of Brotherhood of St. Laurence and ANZ approved 671 loans between May 2006 – May 2009 (Vawser &
Associates, 2009). While such statistics give a somewhat disparate picture of the supply of microfinance, evidence of demand can be extrapolated from indicators such as those holding financial products or those below the low-income benchmark. The Chant Link and Associates, *A Report on Financial Exclusion in Australia* (2004), commissioned by ANZ found that approximately 6% of adult Australian or 1.3 million are unable to access fair financial services and products. If looking at those with incomes below 50% of the median income, then in Australia 1.63 million aged 18 and above fall into this category (Saunders, Hill & Bradbury, 2007), demonstrating what appears to be an immense need to scale microfinance in Australia.

The key debates on outreach of microfinance in Australia are dependent on the focus of individual programs. Scholars have categorised outreach based on the level of income poverty. Burkett et al. (2009) explain outreach using the following categories: 1.destitute, 2.people on fixed income with poor credit history, 3.fixed income/welfare recipients, 4.working poor, 5.working poor with poor credit history, 6.middle class and 7.wealthy. According to these authors, most Australian microfinance programs reach categories 2 – 3 reflecting an international phenomenon wherein “the least difficult problems are served while the harder cases are abandoned” (Rhyne, 1998, p. 8). But even if programs aim to reach category 1, ethical debates arise as to the appropriateness of striving for deeper reach given the effects of over indebtedness that products such as credit may involve. These concerns have been raised by consumer advocates who deal with indebtedness on a day-to-day basis. Some commentators have argued, however, that through proper regulatory frameworks it is possible to reach vulnerable sections of the community while protecting them from unscrupulous lending practices (Banks, Marston, Karger & Russell, 2012;
Webster, 2010; Wilson, 2008a, b). Experts note that the zeal for outreach carries with it the burden of high costs and that “microfinance institutions that reach large number of female and male clients below the poverty line require state or donor transfers to subsidise their costs” (Zeller & Meyer, 2002, p. 5). Therefore, the larger debate emerges as to who will bear this burden (cost, i.e. provide subsidy) of deeper outreach? The unique situation in Australia, wherein the corporate sector has developed voluntary agreements with non-profit organisations to operate and maintain microfinance schemes, poses further challenges to the endurance of outreach, that is, how long into the future can the programs sustain reach given the voluntary nature of initiatives.

Debates on the impact of microfinance in Australia are similar to those in the international arena and are fast gaining importance. This is because funding agencies (such as governments, charity organisations) as well as implementers (non-governmental organisations) want to learn about the effectiveness and efficiency of their activities. Depending on the audiences and the purposes of the microfinance programs, two distinct drivers of impact assessments have been observed – proving and improving (Hulme, 2009). The ‘proving’ agenda is catered to external audiences (that is donor agencies, governments, corporate stakeholders, academics and researchers and so on) seeking credible data to justify investment in the program. While the ‘improving’ agenda is geared towards internal audiences (that is, program managers, field staff, program beneficiaries and the like) seeking credible data to improve services. The ‘proving’ agenda seems to be the driver of impact assessments in Australian microfinance programs. Researchers assert that impact reports, although limited, seem to focus on outputs (key products such as number of loans, loan size so on) and outcomes (learning and knowledge creation,
behaviour and skill development, intangible and felt changes and the like) rather than on questions such as “what difference have we made through the intervention (to reducing financial exclusion?” or “what parts of this difference we can attribute to the intervention and what would have happened anyway?” (Burkett et al., 2009, p. 26). They recommend the collection of accurate baseline data (for before and after comparisons) as well as engaging clients in tracking significant long term changes as a result of participation in the programs. If the practices of impact assessment can strive towards the ‘improving’ agenda, then the knowledge created, it is argued, could be consciously and systematically be directed towards refinement of service delivery.

2.4.3 How gender inequalities appear to be constructed?

In Australia, overarching constructions of gender inequalities in society are similar to those of other western countries as they focus on women’s and men’s roles in the work and family spheres (Inglehart & Norris, 2003; Scott, 2008; Thornton & Young-DeMarco, 2001). Indeed, Australia has been heralded as a world leader in closing the gender gap. For instance, the World Economic Forum (WEF) 2006 Global Gender Gap Report noted that Australia achieved a rank of 15 out of 115 countries (Greig, Hausmann, Tyson & Zahidi, 2006). During the period of 1985 – 2005 in Australia, women’s labour force participation rate rose from 48 to 58% and the proportion of women with a Bachelor’s degree rose from 5 to 25% (Egmond, Braxtor, Buchler & Western, 2011). Legislative measures were also incorporated such as the Affirmative Action Act (Equal Employment Opportunity for Women) in 1986 (Australian Bureau of Statistics, 2008). While these changes suggest more egalitarian beliefs about gender, there is evidence to suggest that such beliefs have
stalled or even reversed in recent years (Barns & Preston, 2010; Ellem, Baird, Cooper & Lansbury, 2005).

For instance, the overrepresentation of women in part-time work, especially in the key child-rearing years (35-44 years) indicates that ‘care work’ remains gendered within the Australian context (Adams, 2010; Hoeing & Page, 2012). In February 2010, for example, 51.3 per cent of women in this particular age group were working part-time (Barns & Preston, 2010). Research has identified the suboptimal features of part-time work including uncertainty about wage rates and pay rises, less job security, reduced promotional opportunities, restricted rights and entitlements, limited access to education and training and decreased superannuation (Burgess 2005; Jefferson & Preston 2010; Masterman-Smith & Pocock 2008). Women’s participation in part-time work also impacts on their individual financial status.

Similarly, the gender gap in wages, wealth and retirement incomes also highlights the prevalence of gender-based inequalities in Australia. Various factors produce this gap, ranging from women’s interrupted career paths, women’s lower pay in opposition to men, and women’s disproportionate responsibility for unpaid work. The gender disparity in lifetime earning is evidenced by the Income and Wealth Report (AMP.NATSEM, 2009) which found that men who hold a bachelor’s degree or higher with children can expect to earn $3.3 million over the course of their lifetime compared to women in the same category who can expect to earn $1.8 million. Research on gender difference in retirement income in 2006 found that the average superannuation payout for men was $136,000 and for women was $63,000 (Australian Human Rights Commission 2009). So, whilst
inequalities based on gendered norms remain significant, many mainstream policy discourses construct the society as gender neutral.

It is within this broader context, of how gender roles are constructed in contemporary Australian society, that this research study explores gender inequalities and its representations in microfinance policy and practice. Reflecting the mainstream view of gender inequalities in Australia, the literature on microfinance policy and practice is gender neutral. In the Keynote address of the inaugural conference on microfinance in Australia, John Langmore highlighted the need of microfinance for marginalised and excluded in Australia whom he categorises as “depressed urban communities, remote communities, older people, people with disabilities, people whose first language is not English, people with literacy difficulties and Indigenous people” (2005, p. 12). It is clear that gender is not a variable in the construction of the problem of unfair financial services which is to be addressed through the solution of microfinance. The omission of gender is again evident in a study of the landscape of microfinance in Australia, in which the most financially excluded groups mentioned were “Indigenous Australians; people who are long-term unemployed; sole parents with young children; people with disabilities; and refugees” (Burkett et al., 2009, p. 4). Similarly, the most recent large scale empirical study measuring financial exclusion in Australia found significant demographic indicators of age, education, employment status, country of birth, indigenous background and location with no mention of gender (Connolly, Georgouras & Hems, 2012; Connolly et al., 2011).

While the dominant literature on microfinance draws little attention to gender, at the practice level, it is often women who are the primary consumers of such programs. The
gendered patterning of poverty in Australia was made evident in the report ‘Poverty in Australia’, which claims that “women (including female children) face a significantly higher risk of poverty than men” (ACOSS, 2012, p. 14). This report also clarifies that single parents have a significantly elevated risk of poverty (ACOSS, 2012, p.18), 80% of whom are female (Australian Bureau of Statistics, 2011). And accordingly, this group forms the majority of clients of microfinance programs (Good Shepherd Microfinance, 2012, pp. 7-9; Scutella & Sheehan, 2006, p. 9; Vawser & Associates, 2009, p.10). Similarly, studies have reported on the differential financial needs of men and women with regard to financial information, programs and products (Landvogt, 2008; WIRE Women’s Information, 2007). For instance, research on women and financial literacy has revealed that women are more likely than men to feel stressed and overwhelmed by financial matters (Financial Literacy Foundation, 2008).

Other research has found that for women there is a non-pecuniary association with financial literacy such as fear, shame, hopelessness and inadequacy (WIRE Women’s Information, 2007). This raises critical issues when microfinance adopts similar program processes and evaluation criteria for men and women, as though financial ‘skills, knowledge and confidence’ are unrelated to the gender norms prevalent in society. Langvogt (2008), for example, suggests that the shame, fear, hopelessness and inadequacy that women associate with money necessitates contextualised delivery of financial literacy training such as, training that grapples with the affective dimensions of financial problems, that is based on real life experiences and uses target group specific settings such as mothers’ groups and drop-in centres (pp. 34-39). The scarcity of scholarship on the role of
gender in Australian microfinance had led to a gender neutral framing at the policy level (Goodwin & Voola, 2013).

### 2.5 Reconceptualising gender inequalities

The dominant literature in the field of Gender and Development describes gender inequalities in terms of unequal power relations between men and women based on their social positions in the society (Benería 2001; Connell, 2009; Cornwall et al., 2007; Molyneux, 2007). Using the concepts of norms, stereotypes, identities and social institutions, Ingrid Robeyns (2007) elucidates how these unequal structures are created and maintained. **Gender norms** “impose codes of masculinity and femininity” (p. 57) that is, appropriate behaviour for a man or a woman. **Gender stereotypes** operate at the non-conscious level which affects our expectations and evaluations of a man and a woman, often reinforcing the different social positions. Gender norms and stereotypes affect a person’s notion of self or identity thereby creating a gender identity which leads to gendered behaviour that puts women in a structurally weaker position than men. **Social institutions** such as the media, labour market, educational system and so on, tend to take socially constructed gender differences as natural and inadvertently create and sustain gender inequalities (Robeyns, 2007, p. 56 – 60). Gender then is not a category of fixed states but rather constantly changing depending on social, cultural, historical and political factors. As Connell (2002) explains “(g)ender arrangements...often appear unchanging...[but] are in fact always changing” (p. 10)

As outlined in sections 2.3.3 and 2.4.3, microfinance policy and practice has failed to investigate and address this complex multi-layered phenomenon – gender inequalities beyond the most rudimentary focus on income poverty. Therefore, there is a need to re-
envision the notion of gender inequalities in more than descriptive terms. As a descriptor, gender analysis seeks disparate set of interventions for women and men with little transformational potential. But as an analytical tool, gender analysis can illuminate the plural categories of men and women in different contexts. This is necessary to counter the essentialism, which overemphasises differences (representing men and women as oppositional categories) at the cost of forging alliances and solidarity, for advancing social and gender justice. Fauzia Ahmed (2008) for example, has argued that the naturalised assumptions about women and men leave little “theoretical space for men who want to change” (p. 138). This position also highlights the need both in practice and policy to concede that not all men or women are alike. Following from this, it is suggested that gender development programs worldwide which target women, need to incorporate men as stakeholders in these programs. The everyday experiences of poor women are inextricably interwoven with that of their male kin necessitating contestation of male and female universals which frame most development policies. This focus on both men and women, based on a conceptualisation of gender as relational (Connell, 2002, 2009) somewhat disrupts the conventional focus of gender and development programs, which has been on the inclusion of women through the exclusion of men. An illustration of how this alternative approach could be achieved is provided by Ahmed (2008), within the context of the Grameen Bank, who argues that the Bank needs to identify, support and reward men who support gender changes so that they can become agents in the prevention of discriminative practices towards women within the household and the society.

2.6 Conclusion

Thus far, this chapter has provided evidence for the association between gender inequalities and microfinance in two very different contexts. The discussion has also
substantiated a need to reconceptualise the concept of gender inequalities in a transformative sense. Addressing inequalities at household, community, market and state level are required which incorporate both men and women in problem solving. The field of international development has come a long way in making poor women’s interests visible. There is more work to be done such that women and men can negotiate their interests in the historical, political, cultural, social and economic milieu within which their lives are enmeshed.

The following chapter proposes that the Capability Approach (CA) is a suitable framework to conceive, address and assess approaches to challenge inequalities, especially gender based inequalities. The theoretical framework of CA with its focus on capabilities or real freedoms brings to fore the often intangible and hidden non material dimensions together with the tangible and visible material dimension of gendered inequalities. In other words, as a contrast to dominant conceptualisations of gendered inequalities based on economic considerations and gender as descriptive, the CA approach can assist in deliberately seeking out the non-economic considerations that men and women face in the context of microfinance and the broader social norms within which they operate. Because this study focuses on men and women in the context of microfinance with the assumption that gender is relational and in the making (Connell, 2002, 2009), exploring the relationship between gender inequalities and microfinance through the capability framework will provide the corrective lens. The next chapter will focus on the suitability of this approach to meet the research goals of this study. It will undertake an in-depth review of the Capability Approach’s tenets, strengths, weaknesses and feminist appropriations.
Chapter 3: Opening up the informational space – The Capability Approach

The discussion in the previous chapter has presented the associations that have been made between gender and microfinance internationally, and also in the literature on India and Australia specifically. This chapter problematises the understandings of gender inequalities within microfinance policy and practice as they appear in this literature, and throws open conceptual, methodological and empirical challenges. In other words, conceptually, where gender inequalities have been constructed in economic terms, the focus is primarily on utility, resources and the sum total of commodities that women lack vis-à-vis men. An outcome of this is that, methodologically, most studies have utilised tangible, quantitative indicators such as income, assets, consumption, and expenditure, to measure disparities between men and women. As a corollary, an empirical challenge remains in capturing non-economic and intangible factors such as self-confidence, interdependence, and changes in social structures. The purpose of this chapter is to find a theoretical framework that accommodates understandings of gender inequalities as a relational, fluid and constantly changing construct rather than as a descriptor of fixed categories of men and women (Butler, 1988; Connell, 2002, 2009; Evaline & Bacchi, 2009; Robeyns, 2007). To this end, the chapter will first suggest that the dominant understandings of gender inequalities in microfinance are best understood as utilitarian approaches. Secondly, it will examine the Capability Approach, which is grounded in a rejection of such utilitarianism. This is followed by a focus on feminist appropriations of the Capability Approach. Finally, the chapter will explain the epistemological tenets of the CA theoretical framework and conclude with its usefulness to develop a research design fit to answer the specific research questions underpinning the study.
3.1 The economics of microfinance

The microfinance movement is predicated on the assumption that poverty can be ameliorated if the poor are given access to appropriate resources such as credit, savings and insurance. Indeed, experts in the field note that the appeal of microfinance lies in its ability to enable the poor to participate in the market economy (Armendariz & Morduch, 2010; Arun & Hulme, 2009). For example, as Dichter claims, the poor are represented as “budding entrepreneurs, who, with access to formal financial services, would pull themselves out of poverty through business development, asset accumulation and wealth creation” via microfinance (2007, p. 1). As outlined in the previous chapter, key debates in microfinance globally and locally (India and Australia) centre on the issues of financial sustainability, outreach and impact. Scholarship in microfinance focuses on the economic lens of efficiency and productivity noting the potential of microfinance to challenge “market failures that stem from poor information, high transactions costs, and difficulties enforcing contracts” (Armendariz & Morduch, 2010, pp. 23).

Viewing microfinance policy and practice primarily through an economic lens has the potential of overlooking or rather undermining issues of inequalities and injustices. For instance, Armendariz and Morduch (2010) note that gendered programs are regarded as efficient because of women’s comparative advantage in small scale microenterprises relative to men, women’s labour immobility leading to easier repayments monitoring and women’s fearful and risk-averse attitude making them reliable financial bets. Additionally, they also note that women’s wages are lower compared to men leading them to conclude that “women don’t only make good clients for microfinance institutions, they also make good employees” (p. 219). As Barker (2005) points out, the critical assessments of microfinance predominantly privilege empiricist epistemology over interpretive.
In other words, the objects of study, gender and women, are constituted via the material aspects of their lives with far less attention paid to the social construction of categories. Interestingly, feminist critiques of microfinance policy and practice, especially those that focus on women’s empowerment, also fall into economic assessments of programs. For instance, the oft used indicators in assessing women’s empowerment in microfinance literature, ‘decision making’ or ‘control over income/resources’, is framed as a form of managerial control over loans and resources that men have vis-à-vis women (Ackerly, 1995; Goetz & Gupta, 1996; Kantor, 2005; Montgomery, Bhattacharya & Hulme, 1996). In her interrogation of negative and positive assessment of microfinance projects in Bangladesh, Kabeer (2009) avers that indicators such as income, consumption, accumulation of assets are used regularly, but are unable to capture changes in social norms, relations of power, self-reflection.

Therefore, there is little discussion regarding gender as relational, fluid and in the making. In the Indian context, despite the positive and negative assessments of microfinance initiatives, it can be argued that the relationship between microfinance and gender inequalities has been viewed in a ‘myopic’ fashion, which is at a very close range. Firstly, both sides of the debate capture changes in household living standards rather than changes in structures of gender inequalities within the household and community. This focus on economic outcomes and women’s participation has left little room for gender transformations in gender norms. Secondly, development discourse and practice within microfinance in India thus far has not created a theoretical space for men to be included in the gender agenda (Baltiwala & Dhanraj, 2004; Leach & Sitaram, 2002; Raju, 2005).
Therefore, attempts toward societal transformation are limited as the dominant group within society is not accounted for.

On the other hand, in Australia microfinance policy is structured to target both men and women equally. Yet, at the practice level, the majority of loan recipients are women. Thus the overrepresentation of women as consumers of microfinance appears in stark contrast to the positioning of the Australian microfinance sector as a gender neutral financial inclusion strategy. Therefore it can be argued that the relationship between microfinance and gender inequalities in Australia has been constructed in a ‘hyperopic’ fashion. That is, gender inequality is regarded ‘from afar’ and thus distanced from microfinance programs and practices. This is akin to contemporary social policies in Australia wherein the gender neutral framing of policies\textsuperscript{13} have rendered invisible gender inequalities and injustices (Eveline & Bacchi, 2009).

Thus, it appears that an over-arching theoretical framework which can capture both economic and non-economic factors in the understanding of poverty and inequalities, specifically gender based inequalities is required. Even experts in the dominant literature surrounding microfinance challenge this economic agenda in order to imagine microfinance more ‘boldly’ (Matin, Suleiman & Saleque, 2007). This study presents the Capability Approach as a suitable theoretical framework to broaden the understanding of poverty and gender inequalities to include both economic and non-economic factors in the context of microfinance.

\textsuperscript{13} See for instance, i) Cook, Davis, Mckenzie, & Smyth, 2009; Grahame & Marston, 2012 for welfare to work policies ii) Murray, 2011 for homelessness policies iii) Hutchinson & Eveline, 2010 for workplace policies.
3.2 The Capability Approach– An accommodative theoretical framework

The discussion in the previous section has provided an account of the dominant literature in microfinance which has explored gender inequalities in economic terms. That is, a focus on wealth, resources, income, goods or commodities - utilities - are justified in the conceptualisation, assessment and redress of gender inequalities in microfinance. Arguably, in asking the question ‘inequality of what?’ the literature predominantly points to material, tangible, quantifiable factors. Challenging the adequacy of measuring inequalities this way, Nobel laureate Amartya Sen (1985a,b, 1993, 1995, 1999) proposed the Capability Approach to answer the question ‘inequality of what?’ by exploring the non-material, intangible, non-quantifiable – non-economic factors – in addition to the economic ones.

Sen (1995) argues that conventional approaches to understanding poverty, human wellbeing and inequalities use the informational space of consumption of certain goods and services. The notion of informational space refers to the information that is needed for making evaluative judgments. In the utilitarian foundations of welfare economics, this informational space is constrained in what it includes as potentially valuable and what it excludes as not valuable. For instance, conventional poverty measures include household income levels as a proxy for standard of living for all members of the household. What is excluded in this informational space is certain household member’s (mostly women) contribution to unpaid work, their lower participation in paid work and different quality of leisure time. As such, the wellbeing of these members of the household is inaccurately measured, if measured at all.
As discussed, the informational space in the literature surrounding microfinance is dominated by inclusion of economic indicators such as credit, savings, insurance, interest rates, repayment rates and other financial services (Arun, Hulme, Matin & Rutherford, 2009). What is often excluded in the informational space are the non-economic factors such as primary caring responsibilities, socio-cultural norms, and psychological and physical health. The CA has been propounded as an approach to evaluating human wellbeing and social arrangements by seeking “the expansion of “capabilities” of people to lead the kind of lives they value – and have reason to value” (A. Sen, 1999, p. 18). Sen asserts that income is only a partial indicator of what people consider to be their wellbeing. Thus the theoretical framework of CA accommodate social, economic and political indicators in addition to economic indicators in the quest to conceptualise, assess and address the kinds of inequalities this thesis seeks to interrogate.

Although originally developed by Amartya Sen around 1980, the literature surrounding CA found momentum during the 1990s (Alkire, 2010). The approach has been extended further by authors like Martha Nussbaum (2000, 2003) and Ingrid Robeyns (2003, 2005b) especially in relation to what are understood as ‘central capabilities’. The CA has been integrated into the curriculum of many courses including political philosophy, development studies, and welfare economics. It is also taught as part of certain courses in disability studies, public health, and gender studies, among others (Robeyns, 2005a; 2006). In practice, the Capability Approach has been applied in the general assessment of human development in countries, the identification of poverty in developing countries, and in poverty and wellbeing assessments in developed countries in order to assess the deprivation of disabled people, the assessment of gender inequalities and in debates about
public policies\textsuperscript{14} (UNDP, 1990 - 2009). An example from developed countries is Germany, which has adopted Sen’s CA as the conceptual framework for the government’s official Poverty and Wealth Reports. As Arndt & Volkert (2007) note, in 2004 Germany’s ‘National Action Plans against Poverty and Social Exclusion’ sought enhancement of capabilities as the primary goal.

The informational space of the CA is captured by the concepts of commodities, functionings, capabilities, conversion factors and agency/choices. Referred to as the ‘conceptual building blocks’ these concepts broaden the informational space to include economic as well as non-economic information necessary to make evaluative judgements. The diagrammatic representation (taken from Goerne, 2010, p. 7) of the concepts clearly illustrates how they are distinct but interdependent.

**Figure 1: Diagrammatic representations of concepts in the Capability Approach**

![Diagram of concepts in the Capability Approach](image)

**Commodities.** The concept of commodities refers to goods, services, and other resources that individuals can access and dispose of. Sen (1993, 1999) argues that commodities have certain characteristics that make them useful to people, often referred to as ‘means’ within

\textsuperscript{14} Specific practical and theoretical applications of CA have emerged in various areas such as human rights, disability and health, social choice theory, culture and indigenous studies, political theory, gender and feminism, migrants, design and technologies, environment, education (Alkire, 2010, pp. 21 – 22).
the CA literatures. For instance, taking the example of a commodity, a bicycle, Robeyns notes that the usefulness of the bike is not so much because of the materials it is made up of or the shape and colour, but because it can take us from point A to point B and is much faster than if we were walking (2005a, pp. 98-99). Within CA, commodities are not necessarily thought of as exchangeable for money or income since this would restrict the non-market setting (for instance, household). As such, commodities can include material goods (money, bicycle, television) and non-material goods (habitual behaviours, unpaid domestic activities and services). These commodities are useful in the capabilities that they enhance or restrict.

**Functionings.** The concept Functionings is described as people’s ‘doings’ and ‘beings’. According to Sen “a functioning is an achievement of a person: what he or she manages to do or be” (1985a, p.7). For example, achievements such as ‘being literate’, ‘being well fed’, ‘working in the labour market’, ‘participating in the life of a community’. These doing and beings together constitute a valuable life and are considered to be a superior concept to commodities in evaluating human wellbeing and inequalities. For instance, measuring possession or non-possession of commodities such as income is not a good indicator of human wellbeing or inequality since even those with high income might lack in certain functionings such as participating in the life of the community. Therefore, the informational space needs to include commodities, as well as functionings.

**Capabilities.** The concept Capabilities on the other hand reflects freedoms to achieve Functionings which people value. That is, the substantive opportunities/freedoms for people to undertake “beings” and “doing” that they value. To put it simply, Functionings
are the achievements/outcomes and Capabilities are opportunities/freedom to achieve. It represents a combination (sometimes referred to as Capability Sets) of beings and doings that a person can achieve “a set of vectors of functionings, reflecting the person’s freedom to lead one type of life or another” (Sen, 1995, p. 40). For instance, every person should have the opportunity to practice religion, but if one prefers to be an atheist or a hermit, they should have the opportunity to do so (Robeyns, 2005a, p. 95). Therefore, the informational space using the CA would interrogate whether the political structures in place encourage ‘being literate’, whether extant cultural norms attend to ‘being well fed’, whether labour market policies enable ‘working in the labour market’, whether social norms are conducive for minorities to ‘participate in the life of a community’ and so on. Both concepts are intimately connected but are independently useful. Capabilities are evaluated in the space of functionings, thus functionings are always integral. However, the focus on capabilities brings to light issues of freedom and opportunities in a way that a focus on functionings alone cannot. In other words, functionings can be achieved through force, domination, coercion. For instance, countries achieve functioning of population control through forced family planning policies. But by focusing on capabilities and real freedoms, attention can be drawn to social development, informed public action, responsibility and value of empowerment (Alkire & Deneulin, 2009, p. 36).

**Conversion factors.** The relationship between commodities, outcomes and the freedom to achieve certain outcomes is influenced by what is called the conversion factors. Sen argues that “what we can or cannot do, can or cannot achieve [depends] on the variety of physical and social characteristics that affect our lives and makes us what we are” (A. Sen, 1999, pp. 70 – 71). Robeyns (2005a, p. 99) categorises these conversion factors into three types—
Personal, Social and Environmental. Personal factors such as literacy, gender, physical condition, and metabolism can be detrimental in a person’s ability to convert a commodity into a valuable functioning. For instance, a person might possess a bicycle, but if the person is physically challenged, then this might affect her/his ability to convert the commodity into the valuable functioning which is mobility. Social factors such as social norms, gender roles, power relations also affect an individual’s ability to convert commodities into functionings. For instance, a girl might possess a bicycle, but if the mainstream societal norm prohibits girls and women from riding bicycles, then the individual is unable to convert the commodity into a valuable functioning, mobility. Similarly, environmental factors such as climate, infrastructure, public goods, and institutions can influence the conversion of commodities into valuable functionings. For example, an individual might possess a bicycle, but if there are no paved roads, then the ability to convert the commodity into a useful functioning would be diminished. Using these particular illustrations, Robeyns highlights that knowledge regarding a person’s access and use of commodities is insufficient to assess if they can achieve certain functionings. It is just as important to know about the person and their circumstances in order to understand fully the inequalities faced by them. Therefore, the CA investigates not only what commodities and outcomes a person is able to achieve, but also scrutinises the context which enhance or restrict freedoms and opportunities.

**Agency/Choice.** While conversion factors broadly describe social structures, there are individual choices which affect a person’s ability to convert a commodity into an achievement or the ability to achieve. Sen (1999, p. 75) provides the example of a starving destitute and an affluent person who fasts to reiterate that both have the same functioning –
undernourishment, but one had no choice in the matter, and the other did. This brings out the notion of individual agency in the ability to convert commodities into functioning and capabilities. Agency has been described in CA literature as agency freedom and agency achievement (Hart, 2009; Robeyns, 2005a). The former refers to the choices an individual makes to enhance his/her own wellbeing, whereas the latter refers to the choices an individual makes to affect other’s wellbeing but which might or might not enhance his/her own wellbeing. This focus on agency reflects a person’s power (or lack thereof) to be the person she/he wants to be and lead the life she/he wants to lead. Each person is viewed as a “doer and a judge” rather than as a “beneficiary” (Sen, 1985b, p. 208). Nevertheless, within the CA, agency is often recognised in conjunction with structural issues always acknowledging the “force of social influences on the extend and reach of individual freedom” (A. Sen, 1999, p. xii).

These concepts, their distinctiveness and their relationship with each other, clarify the key analytical contribution of CA, the difference between ‘means’ and ‘ends’. Sen (1985) notes that having control over commodities is merely a means to the ends of human wellbeing and equality. It cannot be an end in itself because a person’s wellbeing is “not really a matter of how rich he or she is...it must be a matter of what kind of life he or she is living, and what the person is successful in “doing” and “being”” (Sen, 1985a, p. 28). The focus then has to be “on the freedoms generated by commodities, rather than on the commodities seen on their own” (A. Sen, 1999, p. 74). The expansion of freedom or capabilities is viewed as the i) ‘primary end’ (constitutive) and the ii) ‘principal means’ (instrumental) of development (A. Sen, 1999, p. 36). As the ‘ends’ of development, it includes basic capabilities such as freedom from starvation, freedom for political participation and the
like. Sen (1999) argues that even a rich person who is prevented from speaking freely is deprived of something he/she has reason to value. Hence, while evaluating human wellbeing, freedom of speech in itself can be seen as end of development. As the ‘means’ of development, expansion of freedom concerns the permutations and combinations of various freedoms that people have reason to value. Sen emphasises five distinct types of instrumental freedoms which contribute to the general capability of a person to live more freely. These are i) political freedoms ii) economic facilities iii) social opportunities iv) transparency guarantees and v) protective security.

**Political freedoms** are the opportunities that people have to decide who should govern them. It refers to all the political entitlements associated with democracies such as political dialogue, uncensored press, voting rights and so on. **Economic facilities** are the opportunities to utilise economic resources for production, consumption or exchange. These are dependent on the resources and infrastructure available as well as on the workings of the market. A global financial crisis, for example, would greatly affect the economic entitlements people are able to secure. **Social opportunities** refer to the social arrangements made by governments with regard to health care, education, environmental protection and so forth. These facilities influence an individual’s substantive freedom to live better. For instance, illiteracy can hinder participation in political activities which involve communicating in writing.

**Transparency guarantees** are the opportunities to interact in a space of trust and openness. These guarantees are important in addressing if not preventing corruption, bureaucracy, red tape and other underhand dealings. **Protective security** is the opportunity for social safety
nets to prevent vulnerable populations from succumbing to abject poverty and starvation. Institutional arrangements such as unemployment benefits, famine relief are examples of this security. These five distinct instrumental freedoms supplement one another in the pursuit of expanding human capabilities. Just as economic growth can lead to increase in social services, investments in social opportunities (health, education, and so forth) can bring about economic growth. Sen asserts that policies aimed at equality and human wellbeing need to seize these interconnections more fully and asserts that “(a)ssessment of progress has to be done primarily in terms of whether the freedoms that people have are enhanced” (1999, p. 4).

A focus on freedoms and real opportunities does not undermine the importance of means - commodities, utilities and resources - in the project of addressing inequalities. Issues of economic growth, income poverty, and macroeconomic stability are just as valuable to improving people’s wellbeing. Sen (with Drèze) makes the case in the book India: Development and Participation, that an analysis of resources and other means cannot be excluded from the informational space. They claim

> It should be clear that we have tended to judge development by the expansion of substantive human freedoms — not just by economic growth (for example, of the gross national product), or technical progress, or social modernization. This is not to deny, in any way, that advances in the latter fields can be very important, depending on circumstances, as ‘instruments’ for the enhancement of human freedom. But they have to be appraised precisely in that light — in terms of their actual effectiveness in enriching
the lives and liberties of people — rather than taking them to be valuable in themselves. (Drèze & Sen, 2002, p. 3)

Therefore, CA recognises the fundamental importance of commodities and resources to person’s wellbeing in the short and long term. Although seen as a “framework for thought” (Robeyns, 2005a, p. 94) and not a full-fledged theory, the strength of CA lies in its flexibility of interpretation and use across developing and developed country contexts, and as such provides a way to reframe contemporary debates surrounding inequalities, poverty and well-being (Deneulin & McGregor, 2010; Hick, 2012; Qizilbash, 2012). In addition, CA advocates contend that this task of identifying what people want to be and do should be driven by a democratic and participatory process (Alkire, 2008; Burchardt & Vizard, 2011; Deneulin & McGregor, 2010; Sen, 2009).

3.3 Feminist appropriations of Capability Approach

Hitherto the chapter has made clear that the “normative focus” (Hick, 2012, p. 306) of CA challenges the central role afforded to utilitarian understanding of inequalities, poverty and human well-being. Such an inquiry of inequalities also has enormous potential for addressing gender based inequalities which are not easily reducible to financial concerns such as reproductive health, domestic violence, political participation and women’s social status (Robeyns, 2005b, p. 64). Sen himself claims that “the question of gender inequality in the advanced societies – no less than in developing countries – can be understood much better by comparing those things that intrinsically matter (such as functionings and capabilities), rather than just the means like primary goods or resources. The issue of gender inequality is ultimately one of disparate freedoms” (1995, p. 125). This section
discusses the key strengths of CA and explores its usefulness to develop understandings of
gender inequalities broadly and more specifically in the context of microfinance policy and
practice.

There have been numerous studies illustrating the theoretical and practical usefulness of
the CA in studies of gender and feminism (for instance, Agarwal, Humphries & Robeyns,
2005; Agarwal & Panda, 2007; Chattier, 2012; Nussbaum, 2000; Peter, 2003; Qizilbash,
Robeyns identified three key strengths of the CA which make it suitable for exploring
inequalities based on gender. First, according to her, the CA framework is ethically
individualistic and ontologically non-individualistic (Robeyns, 2003, p. 65). Ethically
*individualistic* means that each person is accounted for in normative judgements without
subsuming them under other categories of household, family, community, and so on. At
the same time, CA is ontologically *nonindividualistic* meaning that it does not ignore
societal structures and institutional practices. Individuals are not viewed in a vacuum of
time and space. There is implicit recognition of the connections between individuals, their
social relations and their social embeddedness.

The conceptual blocks of conversion factors and agency clarify how CA is able to account
for social structures and its influence on individual choice\(^{15}\). Nevertheless, individuals are
the ultimate units of moral concern in the evaluative exercise. For instance, an ethically
individualistic approach would recognise that different members of the household require
different levels of commodities in order to convert them into valuable outcomes. This is
because individuals differ in their conversion factors. And an analysis of their wellbeing, if

\[^{15}\text{See Appendix 1 for a detailed stylised non-dynamic representation of the CA conceptual blocks.}\]
subsumed under household or family income could overlook variations in need amongst them. For example, income of female-headed households taken as a unit to assess wellbeing of members of that household is unable to capture differences in conversion factors between a mother-in-law and daughter-in-law living in the household. In other words, by subsuming them within the category ‘household’, differences amongst women emanating from asymmetrical power relations could lead to flawed generalisations of gender inequalities. Such a nuanced assessment of wellbeing is therefore able to highlight the status of women vis-à-vis men and other women, thereby making this approach relevant for exploring gender inequality.

A second strength of CA, according to Robeyns, is that its informational space captures both the market and the non-market settings. Conventional inequality measures are applicable to the distinctions in the market economy through comparisons of income, job-holding and the like but bypass crucial well-being aspects which are located in the non-market sector such as care labour, housework, availability of social networks, and empowerment. Since women spend more time outside the market setting in comparison to men, the broader informational space proposed by CA, becomes especially attractive for assessments of gender based inequalities. CA looks at people’s ‘beings and doings’ in the non-market sector and thus has the potential to reveal the complexities and uncertainties within the overall distribution of wellbeing. Here the conceptual block of commodities clarifies that assessments of wellbeing need to consider both the material and non-material commodities that enhance freedoms. Non-material goods and services such as unpaid domestic work and unpaid care work are commodities that enhance or restrict a person’s ability to achieve what they value. Therefore, taking this type of information into
consideration while assessing wellbeing and inequalities will highlight the freedoms or lack of freedoms resulting from gender based inequalities.

The third strength of CA is the explicit acknowledgement of human diversity that emerges in any grouping such as personal heterogeneities, environmental diversities, variations in social climate, differences in relational perspectives, distribution within the family and so on (A. Sen, 1999). An income-only or commodities-only evaluation might reveal wellbeing of an idealised independent, physically and mentally healthy person with substantial control over her/his life. Such an evaluation cannot provide measurement of wellbeing for those deviating from this ideal, such as mothers with caring responsibilities, underemployed workers living in rural areas, women living in a patriarchal society and so on. The conceptual blocks of capabilities, functionings and conversion factors highlight the importance of recognising human diversity for studies exploring gender based inequalities. The approach suggests that given the same resources, individuals’ achievements (functionings) and opportunities to achieve (capabilities) can vary. As Sen explains, human diversity “is no secondary complication (to be ignored, or to be introduced ‘later on’); it is a fundamental aspect of our interest in equality” (1995, p. xi). By way of example, let us suppose two women have equal access to education and scholarship and they obtain the same educational degree and both of them want to acquire some functioning, such as employment. One woman belongs to a cultural group that does not permit women to participate in paid employment while the other belongs to a group with no such restrictions. Given cultural diversity, one woman is unable to use her degree to achieve her functioning, while the other is able to. Therefore, equal command over resources does not automatically translate into equal opportunities since individuals differ in their ability to
convert resources into functionings. These specific strengths of CA demonstrate the usefulness of this theoretical framework, termed a ‘multidimensional metric’ (Robeyns, 2008, p. 88), for the research objective of this study – exploring consumers’ understanding of gender inequalities in the policy and practice of microfinance in India and Australia.

However, even advocates of the capability approach have recognised that one of its weaknesses is its underspecified nature (Nussbaum, 2003; Robeyns, 2005a; Srinivasan, 1994; Sugden, 1993). They contend that the CA purports expansion of the informational space to include functionings and capabilities but it offers no guidance on which functionings and capabilities are to be included, how they are to be combined or sequenced. This so called weakness has led to a core debate in the CA literature, referred to as ‘list vs. non-list’ (Gough, 2003; Robeyns, 2005b). Martha Nussbaum (2003) argues that as long as there is no particular list of capabilities that must be evaluated, any capability can be deemed to be valuable including those that are harmful. She instead endorses a concrete list of Central Human Capabilities (2003, p. 41) which every society needs to guarantee its citizens in order to qualify as a just society. The list is composed of the following 10 categories i) life, ii) bodily health, iii) bodily integrity, iv) senses, imagination and thought, v) emotions, vi) practical reason, vii) affiliation, viii) other species, ix) play, and x) control over one’s environment. She makes the proviso that her list is general and abstract so that there is “room for the activities of specifying and deliberating by citizens” to apply it to their specific context (Nussbaum, 2003, p. 42).

In spite of this disclaimer, the list of central human capabilities needed to achieve a “life with dignity” (Nussbaum, 2003, p. 40) is criticised for being over-specified and suggestive
of universal prescription, raising concerns of paternalism and imposition (Alkire, 2002). While Sen does not object to the idea of making capability lists, he is wary of creating a universal pre-determined list that might “deny the possibility of fruitful participation on what should be included and why” (2004, p. 77). According to Sen, the list of capabilities must be dependent on the context, that is, geographical area and purpose of research. By refusing to provide a comprehensive list of functionings and capabilities, Sen emphasises a bottom up alternative to assessing inequalities. An element of autonomy and agency can be sought through a process which enables individuals and communities to identify, refine and decide upon what is of intrinsic value to them.

3.4 Epistemological congruence

The goal of expanding capabilities is dependent on enabling people to achieve what they value and have reason to value. The Capability Approach puts people first. According to Sen, “the people have to be seen, in this perspective, as being actively involved – given the opportunity – in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programs” (1999, p. 53). The important epistemological tenet that can be drawn from this is that in order to ascertain what is valuable, participation and engagement of people is necessary (Alkire & Deneulin, 2009, p. 32). It means the nature and scope of knowledge, pertaining to inequalities, specifically gender inequalities in the context of microfinance, necessitates the participation and engagement of consumers of microfinance. Other social policy analyses (for instance evaluation of education policies Dejaeghere & Lee, 2011; Hart, 2009; work-family-balance policies Hobson, Fahlen &

16To achieve a middle ground, where in the CA’s underspecified nature is addressed and at the same time its wide scope is retained, it is fruitful to look at the procedural exercises suggested by Ingrid Robeyns (2003) to construct a list
Takacs, 2011; welfare activation policies Bonvin & Orton, 2009; disability policies Watts & Ridley, 2007) have drawn out the epistemological roots of CA making conclusions akin to the idea that “(i)t is people who decide what kind of development they want....people are empowered so that they themselves may define their local priorities as well as choose the best means to meet these” (Deneulin, 2006, p. 2). Similarly, Cakmak systematically compares the methodological and epistemological roots of CA with mainstream economics to conclude that “(w)hile the capability approach is based on non-Cartesian epistemological roots that lead to a recognition of knowledge as socially constructed, mainstream economics has essentially adopted Cartesianism...a recognition of formalism, predictability, verifiability, linearism, methodological individualism” (2010, p. 97).

Therefore, it can be argued that the CA has an ontological and epistemological connection to an interpretive research methodology. Nevertheless, some scholars have suggested that the policy significance of CA is diminished by the insufficient treatment of social construction of meaning (Bowman, 2010; Deneulin & McGregor, 2010; Unterhalter, 2008). Exploring the usefulness of CA to analyses of social change, Marianne Hill declares a need for methodologies that “recognize the situated nature of knowledge...and will clarify the process of the creation and spread of new social understandings and practices” (2007, p. 259). The literature surrounding operationalisation of CA is, however, dominated by quantitative empirical techniques (Alkire, 2010; Robeyns, 2006). But there is a growing call amongst capability scholars to ‘thicken’ the theoretical framework and its application with interpretive research methodologies (Deneulin, 2006; Hart, 2009; Hill, 2007; Hobson & Fahlen, 2009; Zheng & Stahl, 2011; Zimmerman, 2006). Arguably, this

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17 See Table 9.1 in Chiappero-Martinetti, 2008, pp. 292 – 294, outlining the numerous quantitative operationalizations of CA
study is a response to such a call, as it seeks consumers’ understandings of gender inequalities with the implicit recognition that meaning is socially constructed rather than a pre-given objective truth.

3.5 Conclusion

This chapter has problematised the dominant understandings of gender inequalities in microfinance policy and practice, establishing the need for a broader informational space. As a way to open up this informational space, the chapter has presented the capability approach, its feminist appropriations and epistemological tenets. The subsequent chapter will bring to bear how the theoretical framework of CA and its analytical distinction between means and ends, facilitates or contributes to the design of the research methodology for the purposes of this study.
Chapter 4: The Study: Context, Methodology and Methods

The primary goal of the study is to explore consumers’ understandings of gender inequalities in the policy and practice of microfinance. The secondary goal has been to examine the potential of knowledge transfer about microfinance and gender inequalities from India, one of the world’s pioneers of microfinance policy and practice, to Australia where policies and practices in microfinance are nascent. A two-step process has been employed to achieve these goals. First, the research methods have been designed to draw out the experiences of poverty and gender inequalities of microfinance program consumers in India and Australia. Second, these experiences, termed problem representations, have been scrutinised to draw out the association between gender inequalities and microfinance in both contexts. Building upon previous studies in critical comparative research (Kabeer et al., 2008; Magnusson, Rönnblom & Silius, 2008; Rönnblom, 2012) this study compares problem representations in both contexts. The chapter is divided into three sections. The first outlines the context and scope of the study. The specificity of the study settings from India and Australia will enable interpretation of local experiences against discourses that circulate globally regarding gender inequalities. The second section is a discussion of methodology and the third a description of methods. Finally, the chapter concludes with a note on ethical considerations and how the limitations of the study were addressed.

4.1 Context and scope

4.1.1 Indian context

The Indian phase of the study was conducted with the largest Microfinance Institution in India, SKS Microfinance Ltd (SKS). SKS stands for Swayam Krishi Sangam which in the
local vernacular means ‘self-cultivation society’ (from SKS official website). SKS is the largest microfinance lender in India in terms of market share, total borrowings and outstanding loans (Grunewald & Baron, 2011). During the year 2010-2011, SKS was reaching 7.31 million members in 100,000 village distributed over 19 of the 28 states in India (SKS Microfinance, 2011, p. 12). Founded in 1997 by Dr. Vikram Akula, it started operations in 1998 as a not-for-profit entity with a mission to eradicate poverty. Using the Grameen style joint liability groups, SKS began operation in Tumnoor village in Medak district, a drought prone region of Andhra Pradesh(A. P.), not covered by other MFIs previously operating in that state. The joint liability group model involves lending to individual members in a group of five, where the group serves as the guarantor for the loan.

SKS spent the next four years (1999 – 2004) developing its systems and processes in A.P., growing from 10 members in 1998 to 85,000 members in 2004 (Mohan & Potnis, 2010). With standardised operations and processes in place, SKS expanded to four other states in India in 2004 which was a first for any MFI in India. In his book, A Fistful of Rice, the founder of SKS, Dr. Akula describes his motivation to scale operations when he was challenged by a poor woman who was turned down by SKS, due to insufficient funds (Akula, 2011, p. 4). In 2005, SKS transitioned from a not-for-profit entity to a for-profit entity, and on July 28, 2010, it became the first MFI in India to float its shares through an initial public offering (IPO) (Chen, Rasmussen, Reille & Rozas, 2010; Srinivasan, 2010). Commentators have suggested that the money raised by SKS through the IOP could potentially increase financial sustainability, scalability and transparency (Aagaard, 2011,

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18 When a company issues common stock or shares to the public for the first time it is referred to as an IPO (Gunjan, et al., 2010, p. 24).
Chen et al., 2010; Gunjan, Soumyadeep & Srijit, 2010). Others argue that an entry into credit markets through an IPO could produce risks such as profit maximisation at the cost of client wellbeing, usurious interest rates, and coercive repayment practices (Intellecap, 2010; Kashyap & Munroe, 2010; Sriram, 2010b).

Subsequent to the SKS IPO mobilising US $ 358 million (Srinivasan et al., 2011), numerous studies note the intense suspicion and scrutiny that was directed at the Indian microfinance sector, especially in the state of Andhra Pradesh (Feasley, 2011; Srinivasan et al., 2011; Taylor, 2011). In December 2010 the State government passed the A.P. MFI Act which required all MFIs in the state to i) register with the government, ii) additional loan approvals based on government consent, iii) loan recovery through coercion punishable by 3 year jail term, iv) specification of areas of operation, interest rates and recovery strategies. Referred to as the anti-MFI, pro-SHG Act (Feasley, 2011, p. 16), the A.P. MFI Act in effect halted all MFI operations in A.P. (SKS Microfinance, 2011; Intellecap, 2010).

The empirical study for this thesis was undertaken in the midst of a ‘crisis’ for SKS and the microfinance sector more generally in Andhra Pradesh. While no new microfinance programs were being established, there was still an opportunity to investigate existing and past consumers’ experiences of microfinance.

While microfinance is predominantly understood as comprising of loans, savings and insurance products, activities undertaken by SKS include those beyond finance as part of the overall objective to address poverty (SKS Microfinance, n.d.a). As such, the research for this study focussed on microfinance and its interrelated activities. The majority of SKS loans range from INR 2,000 – 12,000 (AUD $ 37 – 222) to invest in simple micro-enterprises, for example raising goats and buffalos to sell milk (SKS Microfinance, n.d.a).
Referred to as income generation loans, they have a term of 50 weeks with principal and interest payments to be repaid on a weekly basis. The annual effective interest rate on these loans is 24.55%. The other financial products and services offered by SKS are: Mid-term loans (provided as supplemental loans between the 20th and 40th week of income generation loan), mobile loans (financing mobile and other telephone services), sangam stores loans (financing inventory for grocery stores), housing loans (financing construction of new houses or extension and improvement of existing houses), gold loans (providing large loan amounts by taking gold as collateral), life insurance cover, and funeral assistance (for members who have accessed insurance services).

In addition, SKS has an NGO wing, SKS Society, which undertakes a variety of programs in the thematic areas of Education, Health and Ultra Poverty. In 2001, SKS began educational programs which included establishment of pre-schools, tutoring programs and the creation of residential camp for girls who had dropped out of school (Quaegebeur & Marthi, 2005). In 2008-2009, SKS piloted the concept of an English-medium budget school called SKS Bodhi Schools. The goal was to provide quality affordable education in a consistent manner across all SKS locations through standardised class processes, teaching approach, content and methods (Bodhi Academies, n.d.). As of 2010, there were 60 schools (preschools and primary schools) with a total of 2,500 students and 200 teachers across 200 villages (SKS, 2010, p. 21).

In the area of health, the SKS Society has undertaken 2 initiatives. The first one is a partnership with the global NGO, De-worm the World (DtW), to provide de-worming
tablets\textsuperscript{19} to children in Andhra Pradesh. The second health initiative undertaken by SKS Society was in collaboration with medical volunteers from around the world to provide relief for medical conditions such as tumors, goiters, foot and hand ailments (SKS, 2011). In both these initiatives the SKS Society utilised its network of microfinance members as an information and distribution channel. The microfinance loan officers worked closely with DtW staff, medical volunteers and the government health workers to ensure awareness, acceptance, recording and making logistical arrangements for implementation of the health initiatives (SKS, 2010).

The third thematic area of focus for the SKS Society is Ultra Poverty. People who fall within the definition of ultra-poverty are those whose basic needs are not met and who struggle to survive on a daily basis for extended periods of time. Their livelihoods are seasonal and unreliable with negative consequences on their health and wellbeing (Matin, Sulaiman & Rabbani, 2008). Due to limited assets and extreme living conditions, such people are considered risky for microfinance program and are often excluded (Banerjee, Duflo, Glennerster & Kinnan, 2009; Morduch & Armenderiz, 2005). The purpose of the SKS Ultra Poor program (UPP) is to create sustainable livelihoods and help the ultra-poor graduate into one of the two paths: i) join a microfinance program ii) continue saving and use these savings to diversify their asset bases.

\textsuperscript{19} School-aged children are often infected by whipworm, roundworm and hook worm. These parasites retard children’s nutrition and cause stunting, anaemia and low weight. This in turn impacts children’s attendance and performance at school (DtW, n.d.).
The UPP is a 24 month long program where the beneficiaries receive a cash stipend, financial literacy training, access to health services, establishment of a group network, and a productive asset for example a goat (Huda, 2010; Unitus Labs, 2011). In 2007, SKS NGO piloted a UPP in Narayankhed, a sub-district, in Andhra Pradesh with 426 members out of which 414 graduated successfully after 24 months. The graduation criteria included: accumulating savings, food security for a month and the demonstrated ability to sustain or build an income generating activity. Since one of the outcomes of the UPP was participants ‘graduating’ into a microfinance group, for the purpose of this study, the UPP clients were also considered eligible to participate in the study. Therefore, the participants of this study were recruited from both microfinance as well as UPP clients.

The SKS microfinance processes represent a departure from other government and non-government credit services in India which exclude the poor (Kabeer & Murthy, 1996; Mooji, 2003; Pellissery, 2005). There are high transaction costs for the poor to access finance from formal sources. These include hefty bribes (10%) for approving loans, cumbersome and costly application forms, prolonged processing times (33 weeks) for loans and lack of collateral (Karmakar, 2008). Against such a backdrop, an MFI like SKS uses a ‘door-step-banking’ model. This implies that a loan officer would travel to villages (often remote and isolated) to distribute loans and collect repayments. By the end of the year 2011, there were 22,733 employees of SKS out of which 15,331 were loan officers, 95 trainee assistants, 3957 branch management staff, 177 area office managers, 2772 regional office staff and 401 head office staff (SKS Microfinance, n.d.b.). For this research study, some of the staff members at the head office and regional offices provided
information regarding products and services, nevertheless, the interviews conducted with them do not form the primary data for this thesis.

In order to understand the context, SKS’ operations are captured in the following six stages. First, a village is selected through various surveys to collect information on population, poverty level, political climate, employment options and road accessibility. A highly visual group exercise called participatory rural appraisal (Akula, 2011) is used to encourage villagers to discuss economic and social matters. Often, this involves the drawing up of a map of the village using chalk powder on the ground. The villagers then indicate through their drawings, the location of residential and work sites of poor households, as well as information pertaining to the unemployed, women-headed households and other social issues in the community. This visual exercise has been found to be a more successful way of capturing information about the villages, compared to the traditional written surveys which created suspicion and uncertainty amongst illiterate villagers (Akula, 2011).

Once a particular village was selected, the second stage would involve inviting the villagers to what was known as a ‘projection meeting’. In this meeting, the mission, methodology and services provided by SKS would be discussed in detail. Role play exercises are used to explain how microfinance loans work and the benefits arising from them when compared to conventional banking services or money lenders. At the end of the meeting, women are invited to form groups. The third stage entails a mini-projection meeting to follow up on the women who were interested to join SKS and another appeal is made to those who did not attend the first projection meeting due to religious, caste,
gender, or class reasons. The fourth stage is the group formation stage where women self-select five members to serve as guarantor for the loans. SKS notes that groups of five members are small enough to enforce peer pressure in case of non-repayment and large enough to cover repayments in case a member needed emergency assistance. The important criteria for selecting group members was that i) members had to be poor ii) members could not be closely related to each other (for example mother-in-law and daughter-in-law could not be part of the same group) iii) members needed to live near each other and iv) members needed to trust each other (Akula, 2011, p. 74).

In the fifth stage group members are required to attend a three day Compulsory Group Training (CGT). The CGT consists of hour long sessions using visual and participatory teaching methods to educate members about SKS processes and procedures. In addition to building a culture of credit discipline, the CGT also emphasises the importance of collective responsibility which is impressed upon through the reciting of a pledge as a verbal contract between SKS and its members. At the training sessions, members learn how to affix signatures, elect group leaders and gain information regarding products and programs offered by SKS. The staff collects baseline data to track progress of these potential members. On the last day of training, a ‘group recognition test’ is conducted to verify the poverty and living condition of the member’s household and only those who score less than 16 on the test are officially accepted into SKS as program members (SIDBI, 2011, p. 12; SKS Microfinance, n.d.a). The last stage emerges when further groups are formed within a village leading to the establishment of a centre. A centre consists of 3 – 10 groups or 15 – 50 members. Weekly centre meeting serve as platform of
financial transaction among the 15-50 members. Members also discuss community issues at these forums.

In order to understand the Indian research site, a cursory look at the broader country information is warranted. The population of India as of 1\textsuperscript{st} March 2011 stands at 1,210,193,422, making it the second most populous country in the world (Census of India\textsuperscript{20}, 2011, pp. 38 - 39). The country comprises of 28 state and 7 union territories. The research site for this study is based in the fifth most populous state of Andhra Pradesh which accounts for 7% of the total population of the country with 84.7 million people (Census of India, 2011, p. 46). The state is divided into a hierarchy of administrative units with the highest unit being a district, followed by sub-districts (also called mandals in the local vernacular), towns and villages. As per the 2011 Census of India, there are 23 districts, 1,128 mandals, 353 towns and 27,800 villages in Andhra Pradesh. Data collection was carried out in the district of Medak which was the first location where SKS began its activities. The reason for choosing this site was twofold – it meant that most of the clients in Medak were familiar with the activities and products offered by SKS and Medak’s proximity (100 kms) to head office in Hyderabad made travel for data collection easier.

Medak is a drought prone region with many impoverished villages wherein half the population lives on less than a dollar a day (Mohan & Potnis, 2010, p. 227.). Most villages are far apart and some are only connected by dirt roads. As per the 2011 census of India, Medak has a total population of 3,031,877. Within Medak, three mandals were chosen from which participants for the study were recruited. The selection of the mandals depended upon the availability of regional loan officers and accessibility by road. These

\textsuperscript{20} The census of India is conducted every 10 years. The census report of 2011 is the latest to be published.
mandals were Narayankhed, Kalher and Manoor. Multiple visits were made by the researcher to attend the weekly centre meetings at the mandals and to gain familiarity with the program processes and the program consumers. After building a rapport with the local staff and familiarity with the local program consumers, the researcher shared her interest in the processes of the programs and offered the participants an opportunity to participate in the study. Voluntary participants for the study emerged from 5 villages in Narayankhed, 3 villages in Kalher and 6 villages in Manoor. The maps of India, Andhra Pradesh and Medak district can be found in Appendix 3.

In summary, the study focuses on consumers who had participated in SKS microfinance and UPP programs in three mandals in the State of Andhra Pradesh in India.

4.1.2 Australian context

Australia can be characterised as a having a ‘mixed economy of welfare’ where the state intersects with the community, market and the family in order to address social and economic concerns (Fawcett, Goodwin, Meagher & Phillips, 2010). Microfinance in Australia functions within such synergies between the state, civil society, the market and the household. For instance, the longest running microfinance program in Australia, No Interest Loans Scheme (NILS) is provided by the non-profit organisation Good Shepherd Youth and Family Services (GSY&FS) in partnership with National Australia Bank (NAB) together with funding from the Federal government’s Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). Microfinance is a relatively small and under-researched field in Australia and in order to develop an overview of

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21 For detailed information on total population of each village and number of SKS and UPP clients within each village, please see table 1 in appendix 4.
microfinance in policy and practice, a cross-section of key informants were contacted for this study including an academic, a corporate sector representative, a policy maker and a microfinance program staff member. The information gathered from them, and the key documents suggested by them, informed the following section regarding the policy and practice context of microfinance in Australia. As such, the focus is not on a particular microfinance organisation but rather upon the whole sector in general.

The role of governments in microfinance is very recent, but is expanding (Goodwin and Voola, 2013). The Federal and State governments have provided financial support to undertake research and pilot numerous microfinance projects in collaboration with non-profit organisations. For instance, the 2010 Federal budget committed $52 million over four years for the delivery of microfinance programs (Corrie, 2011, p. 9). In order to consolidate the government’s financial management support services which included emergency relief, financial counselling, Home Energy Saver Schemes, Community Development Financial Institutions and microfinance, in 2009 The Department of Families, Housing, Community Services and Indigenous Affairs established the Financial Management Program. Under this program, microfinance was allotted $50 million in 2008-09, and this amount increased to $105 million in 2009-10 (FaHCSIA, n.d.b). The funding forecast for 2012-2013 was $133.7 million (ANAO, n.d.). Microfinance is thus a significant area of contemporary Australian social policy. Additionally, the government’s interest in building a vibrant Community Development Finance Institutions (CDFI) industry is evident in the 5 million funding provided for a two-year (2010 – 2012) scoping study to build momentum and demonstrate evidence of viability of such an industry in Australia (FaHCSIA, n.d.c).
Similarly, the role of the banking sector in developing products for financially vulnerable customers has been significant. Most notable are the microfinance programs supported by National Australia Bank (NAB), Australia and New Zealand Banking Group Ltd (ANZ) and Westpac. NAB claims to have invested more than $130 million to promote financial inclusion in Australia through NILS, StepUp and AddsUP microfinance programs (Connolly et al., 2011, p. 2). This includes the costs of loan defaults and funded forums, training and other in-kind support for the microfinance sector. The bank, ANZ, in partnership with community service organisations developed Australia’s first matched saving program for people on low income in 2004 (Russell, 2008) called the Saver Plus program. ANZ developed another affordable product called Progress loans in 2006 which offered competitive interest rates and low fees to low income earners. According to an evaluative report by Vawser and Associates (2009) the program was found to have positive social impact on its clients but the program was discontinued as of February 2012 (ANZ, n.d.). Westpac as part of its community initiative also supports microfinance programs with a special focus on indigenous communities.

While the banking sector provided the technical expertise and infrastructure, the community organisations or NGOs provide the connections with the clients. The marketing of the microfinance programs, selecting potential clients, and monitoring repayments is done by the NGOs while the loan amount, systems, coverage of defaults and sometimes the officer salaries are taken care of by the banking partners (ANZ, 2004; Vawser & Associates, 2009). The very first community organisation to enter this field was Good Shepherd Youth and Family Services (GSY&FS) (Corrie, 2012; Dale et al., 2012). Currently there are other larger NGOs such as Brotherhood of St. Laurence, Many Rivers
and small NGOs such as community centres which provide a raft of microfinance services\textsuperscript{22}. For this study, the microfinance program offered by the GSY&FS, known as the No Interest Loan Scheme, was chosen because of its longevity and reach in the Australian microfinance sector. Although established by the (GSY&FS), it is offered through various local community organisations across Australia. As of July 2011-June 2012, there were 19,925 NILS loans disbursed amounting to AUD $17,969,015 (Corrie, 2012, p. 12).

The NILS was established in 1981 by GSY&FS in Collingwood, Victoria (Good Shepherd Microfinance, 2012). It is registered with GSY&FS, which developed a NILS’s resource kit, so that other community organisations seeking to provide NILS can follow standard practice as well as gain accreditation from GSY&FS. A strong NILS network has emerged warranting the title ‘the largest micro credit network in Australia’ (NILSNSW, 2011). The original intent of the program was to assist vulnerable young women to access credit and facilitate independent living. The program was designed to work on a ‘circular’ model, that is, once a borrower paid off the loan, the money would be lent out to other members in the community. The loan amounts range from $800 - $1,200 and are usually repaid within 12 to 18 months. Over the years, the model has remained the same, but the target group was expanded to include people on low income (irrespective of gender), in receipt of health care cards or pensioner concession cards\textsuperscript{23} (Corrie, 2011).

As elsewhere, Australian commentators have noted the detrimental impact of financial exclusion on low income people who often resort to exploitative fringe credit providers

\textsuperscript{22} For a comprehensive survey of microfinance programs in Australia, refer to Burkett et al., 2009.
\textsuperscript{23} Health care and pensioner concession cards provide cardholders access to Australian Government health concessions and support the cost of living by reducing the cost of certain goods and services
(Banks et al., 2012; Burkett et al., 2009; Connelly et al., 2011; Proske, 2010). Often, lack of emergency money causes people on low income to either forgo or enter ‘debt traps’ to purchase essential items such as washing machines, refrigerators, car repairs. But the premise of NILS is that a fair, safe and affordable loan provides access to clean clothes (washing machines), fresh food (refrigerators) and mobility (car repairs) without being charged exorbitant interest rates. A significant tenet of this program is to maintain the dignity of the borrowers as they seek to be financially included (Landvogt, 2008).

The eligibility criteria for the NILS are that recipients must: i) live in a particular area code24 ii) must be at current address for more than 6 months iii) possess a Centrelink health care card or pension card iv) must have capacity to repay. The loans are usually approved for purchase of white goods (refrigerators, washing machines), essential electrical goods and furniture. Depending on need, at times education costs, car registration fees and health aids are also approved. But recurring expenses such as rent money, debt repayment, food expenses are not approved (NILS, n.d.). In addition, GSY&FS established a network of traders who provide discounted prices on brand new household appliances for low income consumers. This collaboration provides sales volumes to the traders as well as savings on retail prices for low income individuals (McInerney, 2005). Other local community organisations providing NILS also create similar networks of traders from which their borrowers can purchase brand new items.

Because the NILS loan is primarily used for purchase of consumption goods, it is distinct from the SKS microfinance and UPP loans which are provided for income generation activity. Nevertheless, both types of loans are similar in their goal to alleviate poverty and

24 The program targets locational disadvantage, that is, spatial areas of concentrated poverty and disadvantage.
provide financial services to those who are excluded from mainstream financial services. While the focus of this study was on experiences of the NILS program, some of the program consumers whose initial microfinance loan was a NILS product, moved on to access the AddsUP product. This is a matched savings scheme provided in partnership with NAB. Only those clients who have successfully paid off a NILS loan, currently on low income or possess a health care card, are eligible to apply for AddsUP. Under this scheme a maximum of AUD $ 500 will be matched for clients who are able to save more than AUD $ 300 (Corrie, 2011).

The NILS loan process can be broken down into six stages. Often the NILS loans are advertised in the local news media or through word of mouth. Once a potential borrower is interested the first stage begins with an enquiry. In this stage, preliminary information about NILS, its benefits and how it works are explained. If the potential borrower meets the eligibility criteria, then an appointment is fixed with a loans officer located in a community organisation. The second stage is the application review, where the loan officer will cross check proof of identity, proof of income and proof of living expenses. The borrower has to develop a detailed household budget to demonstrate their understanding of income, expenses and impact of loan on their budget. The borrower also provides a quote for the product they are requesting the loan for.

The third stage involves a loan assessment committee which ensures that the loan application meets the criteria for a NILS loan. If approved, the borrower can go ahead with the loan process. If not, the borrower could be referred to other community services more suitable to their needs (for example emergency relief). The fourth stage sets in when the
borrower’s loan application is approved and a loan contract, which explains in simple terms the rights and responsibilities, is signed. The fortnightly repayment amount and the loan terms are fixed and a cheque is made directly to the trader from whom the client wishes to purchase the required product. In the fifth stage, the client hands over the cheque to the trader and takes possession of the goods. Often, if items have to be delivered, the charges are waived by the traders (Lyn Trindall, personal communication, May 6, 2011).

The final stage involves the repayments which are fortnightly over 12 – 18 months. The repayment methods are established with the borrower with the option to repay through direct debt from government welfare payment (via Centrepay\textsuperscript{25}), manual bank deposit or electronic bank transfer. Subsequent loan applications might be considered when the current loan is fully repaid or when the current loan has a balance of $100 or less. If a borrower experiences problems with repayments, they have the option to contact the loan officer to defer or reduce payments. In case of loan defaults, the loan officer attempts to contact the borrower. If unable to reach the borrower after attempts to contact over a period of 12 months, then the loans are generally written off.

In order to understand the Australian research site, a brief look at broader geographical information of the country is useful. The population of Australia as of 31\textsuperscript{st} December 2012 was estimated at 22,906,400 (Australian Bureau of Statistics, 2013). The country is constituted of six states and two territories. Australia is considered a welfare state, that is, social services and income support are provided to its citizens (Fawcett et al., 2010). It is also referred to as a residual welfare state, because provision of social security payments

\textsuperscript{25} Centrepay is a free service provided by the government to facilitate bill payments through regular deductions from welfare income.
are mean tested and target to the poor and disadvantaged. In 2010, about 12.8% of the population or 2,265,000 people were living below the poverty line (define as 50 – 60% of the median household income of the country), out of which 62% had social security and 29% had wages as their main source of income (ACOSS, 2012, p. 6).

The research sites for this study were based in the most populous and industrialised state of Australia, New South Wales (NSW), with an estimated population of 7,348,900 as at 31st December 2012 (Australian Bureau of Statistics, 2013). The state is divided into local areas of government, - city, municipality and shire - with 152 such local areas in NSW (Parliament of NSW, n.d.). The NILS network in NSW has the second highest capital base (Mouy, 2011). As of June 2011, the capital base for various NILS providers in NSW was $4,187,182.00 with amount of loans worth $2,180,679.00 and value of repayments $1,353,606.00 (Drayton, 2011, p. 2). The researcher sent information pertaining to the study to community services organisations providing NILS in NSW. There were two organisations which agreed to participate in the study but with a request for anonymity. As such, the names of the organisations cannot be revealed in this study. Both organisations are not-for-profit community organisations, funded by government to provide the microfinance programs in partnership with for-profit banking institutions.

In summary, the study focuses on consumers who had participated in NILS microfinance programs in two cities in the State of New South Wales in Australia.

4.2 Research methodology

Creswell (2009) suggests that a research design is based on the researcher’s philosophical worldview assumptions which in turn determine the strategy of inquiry and specific
methods used thereby translating the research approach into practice\textsuperscript{26}. The philosophical worldview proposed in this study is that of social constructivism. Social constructivism implies that individuals understand their world and their experiences of it through interaction with others. That is, an individual’s understandings are negotiated socially and historically (Creswell, 2009). Social constructivists look for ‘complexity of views’ (Creswell, 2009, p. 9) and rely predominantly on the participant’s view of their experiences. This overarching theory is consistent with other research studies using participants’ stories, experiences, narratives and life histories as a way to explore and understand poverty and inequalities (Alkire, 2002; Collins, Morduch, Rutherford & Ruthven, 2009; Corrie, 2011; Kabeer, 2000; Vinson, 2010).

For instance, in trying to capture the financial decisions that poor people make, Collins, Morduch, Rutherford and Ruthven (2009) sought to explore the ‘\textit{Portfolios of the poor}’, and challenged assumptions about low income families. For instance, contrary to popular belief that the poor live hand to mouth, the researchers’ interviews with people in 250 poor households from India, Bangladesh and South Africa revealed that the poor plan for the future and use complex, creative and fragile mechanisms to survive and potentially save. Through their methods of interviewing study participants every two weeks for a year, the researchers accessed the varied and multiple meanings and perspectives on financial decision making. This provided richer information regarding their situation as opposed to a generalised survey with apriori assumptions of what decisions the poor might make. Similar methodologies have been used in studies of child poverty (McDonald, 2009), social exclusion (Vinson, 2010) and gendered poverty (Grahame & Marston, 2012) in

\textsuperscript{26} Creswell’s framework depicting the nexus between worldviews, strategies of inquiry and research methods can be found in Appendix 2
Australia, drawing extensively on individual stories and narratives to explore the social
collection of the issues in focus. Such studies acknowledge that individual’s experiences
have varied and multiple meanings and recognise the specific social, cultural and historical
contexts within with participant’s lives are enmeshed.

As stated in the preliminary chapters, the goal of this study is to seek consumers’
understandings of gender inequalities. The social constructivist perspective facilitates a
focus upon the processes of interaction and the social, historical and cultural contexts
within which these interactions take place. Feminist theorists have drawn on social
constructivist perspectives to develop new understandings of gender and gender
inequalities. For instance, in seeking to answer the question, what is feminist research?,
Patti Lather writes “feminist research is to put the social construction of gender at the
centre of one’s enquiry” (1988, p.571). Simone de Beauvoir’s famous assertion “One is not
born, but, rather, becomes, a woman” (as cited in Butler, 1988, p. 519) also highlights the
social construction of being a man or a woman. That is, gender is not a fixed state, but “a
becoming, a condition actively under construction” (Connell, 2002, p. 4).

Following on from such theorists, this study recognises that the participant’s
understandings of gender inequalities are socially constructed and seeks to look beyond
fixed categories (of men and women) to relations between categories. This is a dynamic
view of gender inequalities in which relations ‘are constantly being produced, renewed,
and changed’ (Connell, 2005, p. 6). Furthermore, as Eveline and Bacchi (2010) have
suggested, the category gender is used not as a noun (shorthand for men and women) but
rather as a verb (doing gender) and therefore facilitates the examinations of “the impact of
gendered assumptions on the maintenance of hierarchical social relations *beyond those between men and women*” (Eveline & Bacchi, 2009, p. 574).

In this thesis, the knowledge and experiences of individuals is constituted as meaningful through representation which helps us deconstruct the link between material and social construction of their lives (Barker, 2005). The representations (knowledge and experience) are not pre-given existing out there waiting to be discovered, but are rather constructed through interactions with others and the social context that they live in (Crotty, 1998). Therefore, such a perspective “directs attention to problematisations rather than to problems, which can only be understood with reference to the ways in which ‘they are problematised’” (Bacchi, 1999, p. 199). Carol Bacchi has been recognised as providing the most fully worked account of social construction in gender analyses of social policy (Goodwin, 2012; Lister, 2010). By making a distinction between “problem-solving” and “problem-questionsing” (Bacchi, 2012, p. 23) she provides a way of accessing problematisations, where nothing is a given. Therefore, it becomes imperative to discern what is represented as problematic and subject these problematisations to critical scrutiny (Bacchi, 2012, pp. 21-23).

Drawing from scholars in critical comparative research (Kabeer et al., 2008; Magnusson et al., 2008; Rönblom, 2012) this study compares problematisations in two very different contexts. According to Rönblom (2012), comparing problematisations, shifts the focus to how gender equality is filled with meaning in particular contexts. In other words, the focus is not on similarities and differences in description of gender inequalities in both contexts, but rather in the problematisations of gender inequalities. For instance, in this thesis, the
focus was not on having equal number of interviews in India and Australia, since the goal of the thesis was not to test, rank, measure and score gender inequalities. Rather, the emphasis was in drawing out what is represented as problematic, and subjecting these problematisations to critical scrutiny. Therefore, in the Indian context, since microfinance operates in a group model targeted to women and often with the support of male kin of program consumers, both female program consumers and male kin of female program consumers were interviewed. On the other hand, in the Australian context, since microfinance operates on an individual model targeting both male and female program consumers, but with no support of their respective spouses, only program consumers were interviewed for the study.

Nevertheless, in both contexts, the interviews were analysed to draw out what the problem was represented to be and how microfinance was represented as addressing the problem. The problematisations accessed from these interviews were scrutinised not in order to ‘measure’ how microfinance addressed or did not address an apriori notion of gender inequalities. Instead, the problematisations were scrutinised to understand how gender inequalities are represented to be in the narratives of microfinance program consumers. So the way in which gender inequalities were problematised in each context, facilitated a dialogue “where the comparative element creates space for distance from and reflection on the different cases” (Rönnblom, 2012, p. 134). Such a technique destabilises fixed and normative representations of gender inequalities, identifies silences in each comparative settings and enables generation of alternative problematisations. Section 4.5 of this chapter titled ‘Data analysis’, will outline how the problematisations were accessed and subject to critical scrutiny.
The social constructivist position raises the dilemma of relativism, that is, whether all representations are equally valid? Bacchi argues that the representations should be evaluated against justified ethical and political criteria (1999, pp. 63 – 64) lest the feminist project of reconfiguring unequal gender relations remains depoliticized. In this thesis, feminist appropriations of the Capability Approach have provided the ethical and political meta-criteria against which to adjudicate the assessment of microfinance policy and practice, such that not all representations are considered as equally valid. This has provided a twofold advantage for this thesis. First, it has maintained the underlying feminist project of the thesis, which is transformative feminist research. Second, it has maintained research reflexivity by describing the normative principles, that is, broader informational space including economics and beyond economics, against which microfinance policy and practices in this thesis will be explored. As such, reflexivity of this study has been maintained by explicitly acknowledging that “the researcher/theorist plays an active role in constructing the very reality s/he is attempting to investigate” (Eveline & Bacchi, 2010, p. 154).

4.3 Description of methods

The specific research methods of the study involved multiple stages of data collection and constant comparison of data with existing and emerging categories of information (Charmaz, 2006). The research process included a combination of document analysis, participant observation, and semi-structured interviewing. In India, the research methods included document analysis, participant observations, and semi-structured interviews with program consumers and male kin of program consumers of a particular microfinance organisation. Interviews were also conducted with staff of the organisation to better
understand the program processes, but these interviews do not form part of the analysis, beyond the information about the programs provided earlier in this chapter. On the other hand, data collection in Australia included document analysis and semi-structured interviews with program consumers of a particular microfinance program offered via two organisations. In Australia interviews were also conducted with key informants: a policy maker, a NILS staff member, an academic and a corporate stakeholder, to gain insights into the Australian microfinance sector as a whole, but similarly the data from these interviews were used to inform the account of the Australian microfinance context and were not used in the analysis of consumers’ experiences. The sequence of research activities conducted in each country was as follows:

**Table 1. Sequence of research activities**

<table>
<thead>
<tr>
<th>Dates</th>
<th>Action</th>
<th>Sample Size</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2011 –</td>
<td>Data Collection in India</td>
<td>i) MFI staff (4)</td>
<td>i) Semi-structured interviews</td>
</tr>
<tr>
<td>November 2011</td>
<td></td>
<td>i) Collection of key documents</td>
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<tr>
<td></td>
<td></td>
<td>ii) MFI program consumers (15)</td>
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<td>ii) Male kin of MFI program consumers (6)</td>
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<tr>
<td></td>
<td></td>
<td>Semi-structured interviews</td>
<td></td>
</tr>
<tr>
<td>April 2012 –</td>
<td>Data Collection in Australia</td>
<td>i) Academic (1), policy maker (1), NILS</td>
<td>i) Semi-structured interviews</td>
</tr>
<tr>
<td>June 2012</td>
<td></td>
<td>staff (1) and corporate stakeholder (1)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>ii) Collection of key documents</td>
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<tr>
<td></td>
<td></td>
<td>ii) MFI program consumers (6)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Semi-structured interviews</td>
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</tr>
</tbody>
</table>

**4.3.1 Indian research.** Microfinance programs in India are embedded in kinship relationships. In order to understand the social interactions in the conduct of microfinance activities, program consumers, their kinship relationships and staff members were observed as they were going about their regular microfinance related activities. Two weeks
were spent at the head office in Hyderabad so that the researcher could gain familiarity with the workings of the program and develop a rapport with the staff. The increased interaction and familiarity with staff enhanced the researcher’s ability to interact with clients (some of whom spoke a different dialect to the researcher) and in refining the interview questions in order to ensure they were culturally appropriate. For instance, the staff members suggested that rather than asking a direct question regarding marital status of the poor women, it would be culturally appropriate to ask ‘what does the man of the house do?’ Similarly, time was spent in the field offices and group meetings of program consumers to build a rapport with potential study participants. The researcher spent two days in each mandal (cluster of villages), observing four group meetings (morning and evening across selected villages) and one staff meeting. Additionally, field notes and a reflective journal were maintained during the participant observation phase. Based on interactions with staff members and the Vice President of programs, a decision was made to stratify the sample in order to cover experiences of various program consumers. A purposive stratified sample of 21 participants were recruited, seven from each mandal. The stratification of the sample was based on 3 microfinance program consumers, 2 ultra-poor program consumers and 2 male kin of microfinance program consumers (whose spouses were not part of this study). This stratification was repeated in all 3 mandals leading to a total sample size of 21.

Microfinance program consumers had to be recruited during their weekly meetings. Within this district of Medak, the researcher chose three different mandals in order to understand service delivery and outcomes in various sites. These mandals were chosen in consultation with the staff of SKS so as to recruit participants from groups that have spent sufficient
time and have had varied experiences with microfinance. Additionally, practical and logistical issues governed the choice of mandals depending on the connectivity by road and availability of staff to introduce researcher to the groups during weekly meetings. The criteria for research participation was i) should have spent more than 6 months as program consumer ii) should be knowledgeable about the SKS microfinance program and iii) willing to articulate experience of being an SKS client. These specific criteria were created so that the participants had sufficient time to reflect on change, if any, since first joining SKS microfinance program. In addition to program participants, male kin of microfinance members were interviewed wherever possible in order to get their perspective. Interviews were conducted in Telugu, the local vernacular, recorded via a tape recorder and later transcribed into English texts. On average the interviews ran for 30 minutes and often conducted in community buildings such as government school, public library and primary health centre. Whilst majority of interviews were conducted with individual participants, at times, there would be family members and group members observing as well as participating in the interview process.

4.3.2 Australian research

The microfinance programs in Australia follow predominantly an individual model, where in the loans are disbursed to individuals. In order to understand the nascent programs in operation, the researcher first contacted and interviewed key stakeholder in the field such – an academic expert on Australian microfinance, a policy maker, a corporate stakeholder and a microfinance program staff member. The benefits of conducting these interviews were twofold. Firstly, it provided a broader and multidimensional view of the state of the sector, and access to key documents. Secondly, the key stakeholders, provided leads to
potential organisations that would be willing to participation in this study. The researcher was then able to email information regarding the study to the recommended organisations, offering a microfinance program in New South Wales (NSW). After initial contact and further elaboration of the research study, the organisational staff offered to forward this information to their clients and report back with the contact details of those interested to participate in the study. Subsequent to this, the researcher made an appointment to meet with the program consumers to conduct semi-structured interviews. The selection of participants in Australia was also subject to the criterion of i) should have spent more than 6 months as program consumer ii) should be knowledgeable about the microfinance program and iii) willing to articulate experience of being microfinance program consumer. A purposive sample of six participants was recruited for the study. The individualised nature of the program and the low density of programs available in NSW provided fewer study participants in the Australian component of this thesis. Out of the six, three were male program consumers and three were female. One of the female program consumers, at the time of the interview was employed as an assistant to an MFI loan officer. She provided an additional layer of insight to her previous experience as a microfinance program consumer. The interviews were conducted in the local language, English, recorded via a tape recorder and later transcribed into text. On average the interviews ran for 30 minutes and were conducted in private rooms of the MFI organisation building. All interviews were conducted individually with the participants with no interruptions.
4.3.3 Table 2. Program consumer profiles in India and Australia

<table>
<thead>
<tr>
<th>Country/Program</th>
<th>Pseudonym</th>
<th>Age</th>
<th>Marital status</th>
<th>Educational profile</th>
<th>Household type</th>
<th>Occupation</th>
<th>Loan purpose</th>
<th>Years of membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>India/ SKS MFI</td>
<td>Roja</td>
<td>32</td>
<td>Married</td>
<td>Undergraduate</td>
<td>Nuclear</td>
<td>Computer operator</td>
<td>Invest in family business</td>
<td>10</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Lalitha</td>
<td>50</td>
<td>Widowed</td>
<td>No schooling</td>
<td>Joint</td>
<td>Agricultural worker – coolie</td>
<td>Purchase of buffaloes, land, seeds, fertilisers and land development</td>
<td>14</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Shilpa</td>
<td>35</td>
<td>Married</td>
<td>No schooling</td>
<td>Nuclear</td>
<td>Agricultural worker – coolie</td>
<td>Purchase of buffaloes, hotel (cafe) expenses</td>
<td>7</td>
</tr>
<tr>
<td>India/ Malekin</td>
<td>Shankar</td>
<td>50</td>
<td>Married</td>
<td>2nd grade</td>
<td>Joint</td>
<td>Agricultural worker – coolie</td>
<td>Purchase of buffaloes</td>
<td>8</td>
</tr>
<tr>
<td>India/ Malekin</td>
<td>Dilip</td>
<td>26</td>
<td>Married</td>
<td>6th grade</td>
<td>Nuclear</td>
<td>Building construction work</td>
<td>Purchase of construction related material</td>
<td>9</td>
</tr>
<tr>
<td>India/ SKS UPP</td>
<td>Sunceeta</td>
<td>45</td>
<td>Widowed</td>
<td>9th grade</td>
<td>Female headed</td>
<td>Agricultural worker – coolie</td>
<td>Purchase of buffaloes</td>
<td>18 months</td>
</tr>
<tr>
<td>India/ SKS UPP</td>
<td>Padma</td>
<td>34</td>
<td>Widowed</td>
<td>4th grade</td>
<td>Female-headed</td>
<td>Agricultural worker – coolie</td>
<td>Purchase of inventory to stock shop – village convenience store</td>
<td>18 months</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Kalyani</td>
<td>28</td>
<td>Married</td>
<td>5th grade</td>
<td>Joint</td>
<td>Tailoring</td>
<td>Purchase of auto.</td>
<td>4</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Suma</td>
<td>39</td>
<td>Married</td>
<td>7th grade</td>
<td>Joint</td>
<td>Saw mill – family business</td>
<td>Purchase of wood and running the business.</td>
<td>10</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Swapna</td>
<td>45</td>
<td>Married</td>
<td>No schooling</td>
<td>Joint</td>
<td>Making beedis; Kirana (convenience) shop</td>
<td>Purchase of inventory for small shop</td>
<td>10</td>
</tr>
<tr>
<td>India/ Malekin</td>
<td>Kamal</td>
<td>50</td>
<td>Married</td>
<td>5th grade</td>
<td>Joint</td>
<td>Agricultural worker – coolie</td>
<td>Kirana shop and supplies</td>
<td>3</td>
</tr>
<tr>
<td>India/ Malekin</td>
<td>Suriya</td>
<td>36</td>
<td>Married</td>
<td>10th grade</td>
<td>Nuclear</td>
<td>Bookkeeper</td>
<td>Started poultry and fertiliser business</td>
<td>10</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Keertana</td>
<td>50</td>
<td>Single</td>
<td>5th grade</td>
<td>Female-headed</td>
<td>Rearing goats</td>
<td>Purchase of 2 goats</td>
<td>18 months</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Deepti</td>
<td>32</td>
<td>Widowed</td>
<td>5th grade</td>
<td>Female-headed</td>
<td>Agricultural worker – coolie</td>
<td>Purchase of buffalo</td>
<td>18 months</td>
</tr>
</tbody>
</table>

94
<table>
<thead>
<tr>
<th>Country</th>
<th>MFI</th>
<th>Name</th>
<th>Age</th>
<th>Marital Status</th>
<th>Education</th>
<th>Occupation</th>
<th>(Blended)</th>
<th>Financial</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>India/ SKS MFI</td>
<td>Meena</td>
<td>30</td>
<td>Married</td>
<td>12th grade</td>
<td>Nuclear</td>
<td>Anganwaadi teacher (government child care worker)</td>
<td></td>
<td>Setting up of Kirana shop</td>
<td>6</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Shivani</td>
<td>30</td>
<td>Married</td>
<td>No schooling</td>
<td>Nuclear</td>
<td>Agricultural coolie work</td>
<td></td>
<td>Purchase of buffalos</td>
<td>15</td>
</tr>
<tr>
<td>India/ SKS MFI</td>
<td>Ramana</td>
<td>45</td>
<td>Widowed</td>
<td>No schooling</td>
<td>Joint</td>
<td>Vegetable vendor</td>
<td></td>
<td>Purchase of groceries for vending</td>
<td>14</td>
</tr>
<tr>
<td>India/ Malekin</td>
<td>Sundeep</td>
<td>30</td>
<td>Married</td>
<td>7th grade</td>
<td>Nuclear</td>
<td>Agricultural worker – coolie</td>
<td></td>
<td>Purchase of buffaloes and goats</td>
<td>10</td>
</tr>
<tr>
<td>India/ Malekin</td>
<td>Ravi</td>
<td>36</td>
<td>Married</td>
<td>2nd grade</td>
<td>Nuclear</td>
<td>Auto driver</td>
<td></td>
<td>Kirana shop, house construction and auto rickshaw</td>
<td>8</td>
</tr>
<tr>
<td>India/ SKS UPP</td>
<td>Urvasi</td>
<td>45</td>
<td>Deserted</td>
<td>No schooling</td>
<td>Female-headed</td>
<td>Agricultural worker - coolie, tea shop owner</td>
<td></td>
<td>Purchase of buffalo</td>
<td>18 months</td>
</tr>
<tr>
<td>India/ SKS UPP</td>
<td>Bindu</td>
<td>30</td>
<td>Widowed</td>
<td>No schooling</td>
<td>Female-headed</td>
<td>Agricultural worker – coolie</td>
<td></td>
<td>Purchase of buffalo</td>
<td>18 months</td>
</tr>
<tr>
<td>Australia/ NILS</td>
<td>Janet</td>
<td>29</td>
<td>Divorced</td>
<td>TAFE Certificate III in Library information</td>
<td>Female headed</td>
<td>Hospitality and cleaner</td>
<td></td>
<td>Purchase mower and the whipper snipper</td>
<td>12 months</td>
</tr>
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<td>Australia/ NILS</td>
<td>Mary</td>
<td>62</td>
<td>Divorced</td>
<td>TAFE course</td>
<td>Female headed</td>
<td>Administration worker</td>
<td></td>
<td>Purchase TV</td>
<td>2 years</td>
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<td>Australia/ NILS</td>
<td>Deborah</td>
<td>32</td>
<td>Married</td>
<td>MSW</td>
<td>Nuclear (Blended)</td>
<td>Hospitality, social worker</td>
<td></td>
<td>Purchase desktop computer</td>
<td>1.5 years</td>
</tr>
<tr>
<td>Australia NILS</td>
<td>Thomas</td>
<td>62</td>
<td>Separated</td>
<td>Year 10</td>
<td>Single</td>
<td>Professional cleaner</td>
<td></td>
<td>Purchase washing machine and TV; ADDS Up - buffer</td>
<td>12 months</td>
</tr>
<tr>
<td>Australia/ NILS</td>
<td>Steve</td>
<td>46</td>
<td>Single</td>
<td>Year 8</td>
<td>Single</td>
<td>Road works, building works (construction)</td>
<td></td>
<td>Purchase fridge, TV, drier and microwave, chainsaw and air blower; ADDS UP - potential purchase of awning</td>
<td>3 years</td>
</tr>
<tr>
<td>Australia/ NILS</td>
<td>Martin</td>
<td>54</td>
<td>Single</td>
<td>Year 10</td>
<td>Single</td>
<td>Truck driver, labourer (construction)</td>
<td></td>
<td>Purchase fridge, washing machine, internet stick ; ADDS UP - buffer</td>
<td>12 months</td>
</tr>
</tbody>
</table>
4.4 Interview questions

There were two overarching research goals of the study. Firstly, to explore program consumers understanding of gender inequalities in the policy and practice of microfinance. Secondly, to examine the potential of knowledge transfer about microfinance and gender inequalities from India to Australia. The interview questions were designed to achieve these research goals. In addition to descriptive information as documented in Table 2, questions were also framed to elicit consumer understanding of programs, rationale for participation in the programs, and the changes they perceive to have occurred since joining the program. While the number of interviews conducted is relatively small, participants drew on their own experiences and what they knew about other program consumers’ experiences in their responses to questioning. The sample, in both Australia and India, thus provided access into the world of microfinance consumption, at least as it was represented by the 27 consumers who participated in this study.

The questions asked at the interview were loosely based on the following schedule

1) Name
2) Age
3) Marital status
   - Single / Married / Divorced / Deserted / Separated / Widowed / Co-wife
4) Educational profile
   - self
   - parents
   - spouse (present / ex)
5) Could you tell me about a typical day in your life?
6) Who do you live with?
7) Household type
   - Single / Nuclear / Joint / Female-headed / other
8) Occupational history (self, family members)
9) How did you hear about microfinance program?
10) How does the microfinance program work?
11) When did you first join the program?
12) Who are included?
13) What about those who are excluded?
14) What do you hope to gain from this program?

Problem conceptualisation

1) Why do you think this organisation is undertaking this project?
2) Who needs this program?
3) What are the reasons for their problem?
4) Is the problem different for woman and men?
5) What are your reasons for undertaking this program?
6) Why the focus on women? What about the men?

Solution conceptualisation

7) Is this organisation able to achieve its goals?
8) What is the most significant change in your life since having joined the program?
9) Due to the program, is there a change in inequalities?
10) What other changes do you foresee?
11) What changes have occurred in SKS groups?
12) What changes do you foresee for the people in your life?
13) What changes do you foresee for the community, country?

4.5 Data analysis

The process of identifying themes began during the phase of data collection when the researcher maintained a research journal containing reflections about the interview process and strategies to refine the interview protocol. The second stage at which themes started to “make some as yet inchoate sense” (Sandelowski, 1995, p. 373) was during the act of
transcribing taped interviews. The next concerted effort in the identification of themes was made possible through eight techniques suggested by Ryan & Bernard (2003) which included looking for i) repetitions ii) indigenous categories iii) metaphors and analogies iv) transitions v) similarities and differences vi) linguistic connectors vii) missing data viii) theory related material. It is necessary to state here that although a majority of the themes in this study came from the data (as an inductive process), some themes were decided by the researcher apriori and were dependent on the definitions in literature review, theoretical orientations and researcher’s values. For instance, the interview protocol has questions such as ‘who needs this program?’, ‘what are the reasons for their problem?’ ‘is the problem different for woman and men?’ These questions were aimed at understanding the theme of poverty and if there is a gendered dimension to it as suggested in the literature in microfinance. This theme of gendered poverty is apriori and it guided the researcher’s decisions in how best to query the informant about the specific topic. Referred to by Strauss and Corbin (1990, pp. 41 – 47) as theoretical sensitivity, these decisions facilitate connection between data and important research questions.

Transcripts from taped semi-structured interviews, field notes and reflective journal have formed the text for data analysis. The qualitative software program Nvivo was used to assist in organising, codifying and analysing the data collected. The transcripts were imported into the software program and each interview transcript was systematically analysed and relevant sections (such as words, sentences, paragraphs and non-verbal cues such as pauses and silences) were coded as ‘nodes’ (See Figure 2). In other words, each node, contained data bits (sections of individual interviews). For instance, the node ‘women and credit’ contained 22 data bits taken from 14 different interview transcripts.
specifically discussing the issue of women and credit. These nodes were organized into trees, with ‘child’ and ‘parent’ nodes which provided an efficient way to group similar and related concepts/ideas. Concepts which are not similar were kept as free nodes. Because of this node functionality and the ability to recall and store vast amount of data (27 transcripts) Nvivo was a useful tool for this study.

Figure 2. Final list of nodes (See Appendix 5 for the evolution of the nodes list)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sources</th>
<th>References</th>
<th>Created On</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working poor</td>
<td>14</td>
<td>26</td>
<td>26/05/2012 1:15</td>
</tr>
<tr>
<td>Caing and or other work</td>
<td>16</td>
<td>19</td>
<td>26/05/2012 10:06</td>
</tr>
<tr>
<td>Additional mt consumer characteritics</td>
<td>3</td>
<td>14</td>
<td>26/05/2012 10:04</td>
</tr>
<tr>
<td>Women and credit</td>
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<td>22</td>
<td>26/05/2012 1:16</td>
</tr>
<tr>
<td>Why this mt is giving loans</td>
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<td>33</td>
<td>26/05/2012 1:36</td>
</tr>
<tr>
<td>Who needs the program</td>
<td>11</td>
<td>17</td>
<td>26/05/2012 1:38</td>
</tr>
<tr>
<td>What about the excluded</td>
<td>15</td>
<td>27</td>
<td>26/05/2012 1:33</td>
</tr>
<tr>
<td>SKS mage</td>
<td>9</td>
<td>15</td>
<td>26/05/2012 1:18</td>
</tr>
<tr>
<td>Significant change since joining mt program</td>
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<td>52</td>
<td>26/05/2012 1:43</td>
</tr>
<tr>
<td>Recommendations to improve mt</td>
<td>4</td>
<td>11</td>
<td>13/03/2012 1:56</td>
</tr>
<tr>
<td>Reasons for targeting women</td>
<td>9</td>
<td>12</td>
<td>26/05/2012 1:41</td>
</tr>
<tr>
<td>Reasons for poverty</td>
<td>10</td>
<td>13</td>
<td>26/05/2012 1:38</td>
</tr>
<tr>
<td>Reasons for joining mt program</td>
<td>23</td>
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<td>26/05/2012 12:55</td>
</tr>
<tr>
<td>Poverty and gender</td>
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<td>25</td>
<td>26/05/2012 1:39</td>
</tr>
<tr>
<td>Mt process</td>
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<td>100</td>
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<tr>
<td>Mt crisis impact</td>
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<td>20</td>
<td>26/05/2012 1:12</td>
</tr>
<tr>
<td>Mt challenges for Oz and India</td>
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<td>17</td>
<td>13/03/2012 2:41</td>
</tr>
<tr>
<td>Mt achieving its goals</td>
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<td>5</td>
<td>13/03/2012 11:56</td>
</tr>
<tr>
<td>Men’s reaction to women only programmes</td>
<td>13</td>
<td>20</td>
<td>26/05/2012 1:42</td>
</tr>
<tr>
<td>Inclusion criteria, strategies</td>
<td>23</td>
<td>45</td>
<td>26/05/2012 1:26</td>
</tr>
<tr>
<td>Gender inequalities and microfinance</td>
<td>22</td>
<td>43</td>
<td>26/05/2012 2:46</td>
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<tr>
<td>Future ideas</td>
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<tr>
<td>Credit plus other benefits</td>
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<td>43</td>
<td>26/05/2012 2:25</td>
</tr>
<tr>
<td>Banks, money lenders and others</td>
<td>14</td>
<td>26</td>
<td>26/05/2012 1:04</td>
</tr>
</tbody>
</table>
After the interview transcripts were thoroughly analysed and systematically organised into nodes (22 in total), the next task involved a careful construction of overarching themes. This was done in two steps. The first step involved accessing consumers’ perspectives on what microfinance is for (that is, who needs microfinance and the ‘problems’ microfinance seeks to address) and what microfinance does (that is, what it is used for, how people access it, the ‘solutions’ that microfinance offers). These were the problem representations or the problematisations. It was necessary to draw out these problematisations to facilitate the critical comparative aspect of the research design and to answer the central research question regarding consumers’ understandings of gender inequalities in microfinance policy and practice. The microfinance program consumers’ (from both contexts) narratives, which currently appeared as nodes (data bits), were critically interrogated through 5 specific questions which emerged inductively because of the grouping of data. They were

1. Narratives on what microfinance is used for? Could be found in Node 11, 22
2. Narratives on how consumers’ accessed the loan? Could be found in Node 13
3. Narratives on who needs the program? Could be found in Node 1, a, b; 4, 22
4. Narratives on how the problem that microfinance is supposed to address defined? Could be found in Node 2, 10, 12, 14, 22
5. Narratives on how microfinance is able to address these problems? Could be found in Node 2, 3, 5, 7, 9, 16, 17, 18, 19, 20, 21

The program consumers responses to the themed questions (that is, what is the problem and how can microfinance address the problem) were sorted and organised. The researcher had to make sure all respondents were included in the data bits used (although some might not have responded to particular questions).
The second step involved asking how gender appeared in the problematisations. This was done in order to facilitate gender analyses of the program consumers’ responses. The second set of questions were

1. How does gender appear in narratives on what microfinance is used for?
2. How does gender appear in narratives on how the loan is accessed?
3. How does gender appear in narratives on who needs the program?
4. How does gender appear in the description of the problem microfinance seeks to address?
5. How does gender appear in descriptions of how microfinance redresses the problem?

The second step thus examined whether gender or gendered needs/responsibilities were embedded in the program consumers’ responses of the i) the problem microfinance seeks to address and ii) the solution microfinance provides.

4.6 Ethical considerations and limitations of the study

Due to the vulnerable situation in which most of the participants of this study live in, it was of paramount importance to consider the ethical dimensions of this study. All participants of the study are over 18 years of age. Interviews and observations were conducted through written informed consent explaining the voluntary nature of their participation, and an explicit offer to withdraw from the study at any time. The role of the researcher was made evident at the very outset hence no information was gained through deception. It was made clear that the participants can choose to reveal or disclose their experiences according to their discretion without incurring any liability from the organisation or the study.
Additionally, the participants were informed that their identity would be kept anonymous at all times through the use of pseudonyms. Permission to use tape recorder was taken individually by all participants with the option to switch it off at any time if the participants so desired. Each participant was handed a participant information statement and an informed consent form (see appendix 7 - 10). Both forms included researcher’s details with the offer to contact the researcher regarding any queries related to the study. These forms were translated into Telugu for the Indian part of the study. A brief summary of the main findings or key learnings of the study will be given to organisations (upon completion of thesis) in India and Australia with the request to share the information with the participants.

There existed the obvious problem of ‘reactive effects’ where in the researcher’s presence could potentially alter the social situation being observed (Engel, 2009). However this was minimised to an extent by developing a rapport and building trust with the research participants. In Australia, rapport with the participants of microfinance was built with the help of introductions by gatekeepers (staff) of the organisation. In India, especially when observing the group meetings, the ‘outsider’ status was addressed by spending significant time in the field and the headquarters of the organisation. It is important to note that only those participants who are verbal and open to talking self-selected. As such, the experiences and opinions of those who were introverted, or not open to talking with strangers could not be captured in the study. However, wherever possible, the research included critical cases (those unusually rich in information pertaining to the research
question), typical cases (those which are typical of microfinance projects in India) and deviant cases (those which can provide a useful contrast) (Kuzel, 1999).

4.7 Conclusion

The research for this thesis involved trialling an innovative approach to capturing the perceptions and experiences of microfinance consumers in order to interrogate how gender inequalities are represented in the practice of being a microfinance consumer in two contexts. The study’s distinctive methodology impacted on the research methods employed, and particularly on the way that the data was analysed. The social constructivist methodology together with the focus on problematisations demanded a method that did not presume differences based on nation-states or differences based on program design. Rather the methods, involved drawing out the problematisations in each context and comparing them to arrive at a broader understanding of gender inequalities. Such a research design has enabled the thesis to expose the gender norms operating in each context. In other words, rather than viewing Australia as a gender equal developed context and India as a gender unequal developing context, this study reveals that depending on how policies define and construct gender inequalities in specific contexts, those policies can have empowering or disempowering effects on men and women affected by these policies. The next three chapters (5, 6 and 7) will demonstrate how the methodology and methods used in this thesis have facilitated a comparison of problematisations.
Chapter 5: Gender in consumer representations of microfinance: What is microfinance for?

This chapter focuses on how program consumers represented ‘the problems’ that microfinance sought to address. As has been detailed in the introductory chapters, the literature in India and Australia predominantly analyses microfinance as an economic problem. From the program consumers’ perspectives, the problems microfinance deals with have economic as well as non-economic dimensions. Further, the analysis of gender in consumers’ problem representations, provides access to consumer understandings of gender inequalities in the policy and practice of microfinance in India and Australia. The chapter presents an analysis of responses to particular questions such as, ‘What are the reasons for their [the poor] problems?’, 'Is the problem different for women and men?', 'What are your reasons for undertaking this program?’. As outlined in Chapter 4, the analytical process involved examining how the problem was represented in the narratives (accessing problematisations). This was followed by seeking out gender in the problematisations, that is, examining how gender appeared or remained absent in the representation of the problem. This analytical move produced six distinct explanations of the experience of poverty. That is, program consumers reported that their experience of poverty was a condition of i) Access to finance  ii) The labour market  iii) Family and community support iv) Access to education  v) Costs of care  vi) Domestic abuse. The chapter is divided into six sections, with each section first providing program consumers’ representations of the problem, titled ‘The Problematisation’, followed by a description of how gender appears in the representation of the problem, titled ‘Gender in the problematisation’.
5.1 Access to finance

5.1.1 The Problematisation

The majority of the respondents (18/27) in India and Australia described the problem that microfinance sought to address was access to finance. The lack of suitable alternative avenues to access finance was a common barrier faced by these people. For instance, single mother Deborah who needed to buy a computer for educational purposes was unable to access finance. She reported

...my credit card was maxed out and my – I also had a GE money card which was maxed out as well at six thousand ... I did try and – I tried to get a car loan. But that was when I was staying with my parents. I didn’t have that many expenses at the time. And even though I didn’t have those expenses they still refused to give me the loan because they said that because of the credit history that I had had.

Similar was the case with Martin who felt that banks were not flexible enough to give loans to pensioners. He elaborated

If you’re not working and you haven’t got access to bank loans, then the only alternative is Centrelink or the loan sharks or the small loan companies that charge quite high interest rates, I mean six hundred and fifty dollars interest on a thousand dollar loan over six months is a lot of money. That’s more than fifty per cent interest rate we’re talking or sixty five per cent interests, that’s rude. That’s the only alternative.
Related to the issue of limited access to finance is the notion of limited familiarity with financial products and services. Mary explained that historically access to finance was restricted for certain groups such as women and this, she argued, was the reason why some female program consumers find themselves less able to cope with the current complexities of the financial economy. The lack of familiarity with financial information, products and services has led single parents such as Janet and Deborah to fall into debt traps in the past. Most of the program consumers in both Australia and India discussed previous experiences dealing with payday lenders and money lenders respectively who charge exorbitant interest rates. Some program consumers spoke about unknowingly enrolling in such schemes and going down the path of indebtedness, while others explained they knowingly sought out these avenues due to limited alternatives.

A related problem was not knowing how to save. Meena explained

If you can learn how to save money or put it to profitable use, then that is the best way to eradicate poverty. If you have INR 100 and you can manage to save INR 10, then that is saving. Money can bring you down and it can bring you up. When people spend money carelessly, definitely poverty will increase.

Yet intermittent, irregular and low income was also cited as the reason for poor savings habit. Not having a buffer in times of an emergency was a pressure faced by program consumers in both contexts. Martin commented on the freedom that a buffer could provide even in non-emergency situations. Reflecting upon how he would like to use the matched saving program he noted
I think I'd like to leave the money in the bank because, you know, the last ten years of my life, I’ve been scratching and doing without, and it’s nice to be able to, on the spur of the moment, you know, like go and have lunch somewhere, and know you’ve got money in the bank.

Although in both contexts, microfinance products and services remained credit centred, there appeared to be a component of savings embedded in the program through financial literacy and other savings products.

5.1.2 Gender in the problematisation

The differential access to finance for men and women was underlined by the program consumers. Responses from both contexts attributed gender based stereotypes of men’s and women’s needs and roles as the cause and continuation of this differential access to finance. For instance, Australian program consumer Janet noted

...men’s and women’s needs are sort of different. Men’s – and no offence to them – they have got to look after themselves a certain way to be a man for a family, you know. But women, you know, they need to look out for everyone.

Such a gendered understanding of division of labour implied that men are to be the providers for and women the caretakers of, the family. Therefore, men in their role as providers were required to leave the house and step into the labour market seeking work. Men’s familiarity outside the house resulted in their familiarity with the operations of the financial system and provided opportunities to access it. Women on the other hand, in their roles as caretakers of the family were not required to leave their home to step into the
labour market and therefore, had limited familiarity with the functioning of the financial system and limited opportunity to access it when in need.

A historical aspect to the limited financial access for women was reported by Australian program consumer Mary. Providing the example of her mother, she explained

...some women in my generation and my mother’s generation...grew up with different values and they actually grew up thinking that men were smarter...I know in the bad old days, which is not that long ago it’s only the sixties, fifties and that, women couldn’t get loans without their husbands co-signing

She argued that historical socialisation and social norms were the reason for women’s lack of confidence with money matters as compared with men. The male dominated sphere of finances was reiterated by Padma, a program consumer in the Indian context. She stated

Men can go out and approach the banks for loans etc. But who will the women ask? Even if we ask for loans, people do not give loans to women

These examples suggest that due to historical socialisation, gender norms and labour market biases, women are limited in their familiarity and accessibility to finance, causing them further impoverishment. The reverse of this indicates that men are relatively more familiar, confident and able to access finance and therefore largely reported as in control of finances. While the notion that men control finances is well documented in the literature of microfinance in India and other developing contexts, of significance here is the way that microfinance consumers themselves also represent this as a problem.
5.2 The labour market

5.2.1 The Problematisation

A second important reason cited (11/27) for the cause of the problem that microfinance can address was the limited or lack of employment opportunities. Given their limited or lack of assets, educational qualifications and limited work experience, the respondents attributed the transitions into poverty to a lack of continuous supply of income. In the Indian context, the majority of the program consumers and their male kin were earning an income from agricultural work. They found the work suitable since it did not require owning material assets such as land, nor did it require them to possess higher educational qualification. Nevertheless, the work was seasonal and hence did not provide a consistent source of income. Therefore, during off-seasons, many program consumers reported severe income shocks causing some to transition into poverty. The lack of employment opportunities in rural India was associated with issues of food security. Program consumer Keertana explained that the microfinance loan provided an opportunity

…to work and have our daily food is good for us. For lack of money some people have gone to the money lenders.

The issue of food security was repeated by Bindu who explained

They [poor] don’t have rice or jawar to eat”.

Program consumers revealed that in order to address the barrier of limited or no employment, people in the village would migrate to the cities seeking employment opportunities. In the case of Meena who works as a government day-care worker, her husband was unable to find employment in the local village. She explained that the only way to make ends meet was for her husband to spend 2-3 months a year working as a
building contractor in the city. This trend of migration to cities was further substantiated by Kamal, male kin of a female program consumer, who observed

Many people are going madam, 75% of them used to go to cities. They used to go to Hyderabad for work.

These examples suggest that the labour market impacted people’s transitions in to and out of poverty.

The association between limited or no employment and food security was not raised by program consumers in Australia. The reason for this could be attributed to the fact that Australia is a welfare state and most of the program consumers were often in receipt of some form of income (welfare payments) on a regular basis. Nevertheless, program consumers Janet, Mary and Deborah reflected upon the economic recession faced by western countries such as Australia and observed that the minimum welfare income is insufficient to pay for rising household costs. Deborah explained

And there is not a lot of money coming in and quite often the amounts you get even as a family aren’t – they aren’t enough to survive on, so… well, survive on in Australia... There are so many families living below the poverty line these days.

These program consumers reported that there were not many pathways to gainful employment, especially for families with children, to meet the rising costs of living. This indicated that lack of pathways to gainful employment in the Australian context, coupled by the low level of government benefits was likely to transition program consumers into poverty during emergency situations.
5.2.2 Gender in the problematisation

Poor women’s and poor men’s position in relation to the labour market participation appeared as a key difference. In other words, program consumers identified that the time women spent on caring work affected their time available to fully participate in labour market. Given that employment available for those with limited assets, educational qualifications and work experience was inadequate, this problem seemed severe for poor women who had to balance family life with employment. In the Indian context, since the majority of the microfinance products were utilised for self-employment, women were able to participate in the labour market to some extent so long as the work did not conflict with their domestic work, or if they could find support from their male and female kin. For instance, Kamal’s spouse took a loan to set up a convenience store but was unable to run it herself due to caring and household responsibilities. Kamal explained

She [his wife] stays at home. She does the cooking, washes clothes... One by one we take turns in maintaining the shop. When I take buffaloes and oxen to the fields, my wife will sit in the shop.

Speaking about the difficulty of gainful employment for women, Keertana observed

Somehow men can get on and manage with work and money but how can women manage?

She further added that even if women earn an income, some men in the household spend it on drinking. She explained

…if good men are there, things go well. But some men waste money by drinking [alcohol]
Similarly, Ramana questioned women’s ability to operate in the labour market dominated by men and averred

…only if the men go out to work and bring in the salary, can we repay regularly

Going out of the home to work in the labour market seemed to interfere with the work that was required to be done inside the home and this was a key determinant of men’s and women’s ability to fully participate in the labour market.

The responses in the Australian context reiterated this notion since the majority of women participated in part time, informal and lower paying work so as to balance their non-labour market (household and care) work. They also highlighted that the income earned from government benefit or other full time employment was insufficient to meet the costs of daily living. Deborah explained

Even a mum who was a single mum who was working full time, she would not still have that extra money to go and buy... like if the hot water burst or something

In addition to being unable to fully participate in the labour market, there was a wage differential in women’s earrings compared to men for the same job. Reflecting upon the plight of women in a male dominated labour market, Bindu noted

Men can work anywhere. They can get INR 250 per day. What will a woman get? When we go to work, we get only INR 50 per day. We both do the same work but we get lesser pay. For INR 50 what can we buy? That is not enough even to buy oil and salt.
The issue of inequitable wage rate based on gender was raised in the Australian context as well by program consumer Mary. She declared

...there is an inequality because women are on lower incomes. And I can’t even see that changing. I mean, I know it is supposed to be changing, but… women do seem to … and women do tend to work in industries that are lower wages. All the caring professions are lower wages usually and women tend to gravitate towards those sorts of jobs.

It was explained that this has detrimental consequences for women’s superannuation accumulation, making them financially vulnerable when they are older vis-à-vis men.

The significance of the labour market structure was also identified by a male program consumer in Australia. Martin highlights the type of pressures faced by men due to the gendered division of labour, that is, men as providers and women as caretakers. Martin concluded that men have to be providers if they desired the love of a woman. He reflected

I have always believed it’s a little easier for a woman to hook up with a man and it’s a little bit easier, but if you are a man, and you have nothing, it’s very hard to find a woman that’s going to love you, like this, there’s no capital behind you.

This nuanced view of the cause of poverty – limited employment – and the gendered expectation of employment highlights the ways in which labour market biases reinforces social norms, but also how social norms reinforce labour market biases. Of significance here is the way that these biases and social norms are built into understandings, and the practices, of microfinance.
5.3 Family and Community Support

5.3.1 The Problematisation

The third most cited problem that microfinance seeks to address as reported by the program consumers (5/27) was the lack of community support. This included support from within family as well as outside the family. The lack of family and community support was reported as exacerbating program consumer’s experience of poverty, specifically during crisis situations. In the Indian context, Urvasi attributed the reason for her poverty to a lack of community support. She explained

I do not have a husband…Because I did not have children, my husband left me. Since then I have been living at my mother’s place…For me, because I came back to my mother’s place and I had nobody, I was poor.

This kind of representation is indicative of the non-pecuniary dimension of poverty. A similar notion of the significance of weak ties and its impact on one’s sense of connectedness or isolation was raised by Australian program consumer, Thomas. While discussing his experience of poverty, he recalled the time when he was going through depression due to death of a friend. He explained

When he died I grieved for so long I just didn't know… It’s just one of those things that happened. I went to my Dad’s funeral, Tangi. I went to my Mum’s Tangi. I didn't go to my brother’s Tangi, but all those and my cousins and my friends who have passed on before but this friend of mine when he passed on that just shook the shit out of me. I went down in a slump. I was just down. Because we were involved with a lot of things. The history of our friendship was so close. He was like a brother. Even
after accessing psychologist services, this grief is still hanging with your head, it lingers.

The effect of impoverished and/or weak ties on a person’s mental wellbeing and coping skills due was also discussed by Janet. She explained that the environment in which people grow up, affects their ability to cope in extreme circumstances. She observed

You know, if you grow up in that area [housing commission] from the word go and that’s all you see, that’s all you know.

She suggested that a lack of positive role modelling in the local community or within the family, could potentially keep generations within the cycle of poverty.

5.3.2 Gender in the problematisation

Program consumers in both contexts revealed the highly gendered nature of community support, that is, who is readily able to access this support by virtue of being a man or a woman. While the experience of poverty was reported as severe for all program consumers during emergency situations, it became clear that this experience varied by gender in India and Australia. In the Indian context program consumers observed that, in comparison to men, women did not have strong community support. Two of the ultra-poor program consumers (both widowed) explained the lack of community support they endured because of their life situation. For instance, Urvasi described her constrained social networks when she married and left her natal village. Once deserted by her husband in the new village, she felt isolated and disconnected with the local community and had to return to her natal village and depend on familiar networks there to rebuild her life. Reiterating the gendered differential of community expectations and support, Deepti observed

Men can live anywhere. They can go to towns. How can we go to towns?
Her comment indicates that men are spatially more mobile than women due to community acceptance of this behaviour. Therefore they could travel to different towns and find lodging without concern. But women on the other hand, were spatially restricted.

Commenting that women’s vulnerable status depended on the extent of family support they enjoyed, Meena stated

Women cannot make independent decisions ...On our own we cannot do anything...only if both [husband and wife] work in unison can this program work successfully. They provide loans to widows also, but then their sons have to be the signatories

She made a further observation of community expectations of gendered behaviour and noted

…our generation is such that, people talk bad, saying look at this woman, she is just roaming around. They question the work which requires women to travel outside of the house or village.

These examples suggest that women are not represented as independent economic subjects relative to men and only those women who fit into the local community expectations of their roles, are able to readily access community and family support. Whilst those who fall out of these expectations, such as Urvasi, remain isolated and excluded from community support.

Interestingly, in the Australian context, men who were not considered independent economic subjects (that is, participating in the labour market) were also reported as being
less connected with the community and less aware of products and services available to them. For instance, Mary explained

I think women are more likely to get out there and hear about these things. Maybe because they are more community minded. Women talk a lot more with other people. My brother in Melbourne had never heard of NILS and yet there are stacks of them down in Melbourne. Yeah, he was living on a very limited income and needed something, I can’t remember. I said “Get a NILS loan” and he was like “What? I have never heard of it”. And he has since done it and thought it was fabulous.

According to this response, women’s stronger connections, their ability and willingness to seek out help, mitigates emergency situations such as unexpected expenditures or income shocks vis-à-vis men who do not have similar connections. This notion of men’s weak community ties was also expressed by Martin as reported in the previous section relating to men’s role as providers. In the context of building romantic relations, he observed that men need to have the backing of capital to find a partner while there is no such expectation from women. At the superficial level, it seems that men’s and women’s access to social support is different in Australia and India, but a deeper analysis reveals that in both contexts, men’s and women’s access to social and community support is shaped by gendered divisions of labour.

5.4 Access to education

5.4.1 The Problematisation

Lack of education was reported by four program consumers (4/27) as one of the causes of poverty. In the Indian context about seven respondents reported no schooling, eight had
some level of primary education and five reported some level of secondary education. Only one respondent held a tertiary qualification. The way in which education was described, however, related to conventional formal education as well as informal learning allied with life skills ranging from attitudinal shifts to future aspiration. Meena, cited lack of or limited education as a barrier to potential employment opportunities. Using her own educational trajectory as an example she explained that because she graduated from high school, she was able to work as a day-care worker at a government day care centre. She said

...if we want to stop this [poverty], we need to make sure the kids in the house are well educated. Our parent’s generation were not well educated. Now because I went to school and know the value of it, I made sure my son is pursuing higher education. Those who are not educated, what can they do? They will probably send their kids to work, taking care of buffaloes or other kinds of employment.

Meena made a point about the intergenerational nature of poverty and the potential for education to transition future generation out of poverty.

She further made the connection between lack of education and inability to follow “rules and practices” such as family planning. According to her the illiterate poor do not think about consequences of having many children and stated

I think having many children could also lead to poverty. As the population increases, poverty increases. If there are more children, you need to ration how much you will put on each child’s plate. Everyday their situation will
only worsen but not get better. There are four people who eat but only one has to work.

Roja also made a similar link between lack of education and lack of future planning and noted

...they [the poor] don’t have correct suggestions. They adjust with the situation, and with the income they get, they do not practice a systematic life. They don’t think about future. The day to day income they get, they spend it on that day and think that day is over.

This quote suggests that while conventional education and literacy may augment pathways to employment, it also enhances people’s ability to make informed choices regarding the future.

Interestingly, Roja made a class dimension between “poor people” and “educated people” in the responses surrounding limited education. She stated

Poor people do not have the capacity to go round the banks. Educated people can do something or the other. And poor people cannot get that much of loan. They cannot go forward. They are stuck in between, they suffer.

This suggests that the educated are not necessarily poor while the uneducated are and that the lack of education was a cause of poverty. This observation again makes clear the non-pecuniary nature of poverty.

In the Australian context, half of the respondents held some level of secondary education and the other half held tertiary qualification. While lack of education in Australia was not
raised as a cause of poverty, diverse educational needs and disabilities were raised as potential causes of the problem. In her descriptions of the people who would most benefit out of a microfinance program, Janet referred to a person with intellectual disability. She observed that the financial literacy component of the microfinance program combined with a no interest feature, could address some of the barriers arising out of such a disability.

5.4.2 Gender in the problematisation

Lack of education was not reported in terms of gender in either context. For instance, in the Indian context while Meena made a direct association between illiteracy and poverty, when probed further if the problem would be different for a man as opposed to a woman, she said

They will be similar. If husband and wife both are educated then they will know about having too many kids. If the wife is not educated but the husband is, then he can tell her about the pitfalls of too many kids. If both husband and wife are uneducated then the family keeps growing in size and so does their poverty. So both will have same problems, both will be in poverty.

Dilip, male kin of a female program consumer, made a similar observation and responded

How can it be different madam? Both are in the same family. They both are one unit. So it cannot be different.

While he suggested a connection between lack of education, overpopulation and vulnerability to poverty, he did not report any gender differential on this issue.
The Australian program consumer, Janet, mentioned the relationship between lack of education and poverty. The first instance in which she raised the issue was whilst discussing poor coping skills for people living in housing estates and the second time she discussed the issue was in the context of intellectual disability. Both times she made an association between lack of education and poverty in gender neutral terms. This particular theme is in sharp contrast to the other themes in this chapter where respondents specifically highlighted the gendered nature of the issues associated with the cause of poverty.

5.5 Costs of care

5.5.1 The Problematisation

Some program consumers described primary caring responsibilities (4/27) as another cause of poverty. This was because the costs of care related to running the household, paying for expenses related to children and time. Reflecting upon the costs incurred in the running of a household with children, Deborah said

Like, you might have a mum who has got six kids and if her washing machine breaks down she is stuffed.

Even a male program consumer without caring responsibilities highlighted the costs related to care and how these costs were exacerbated for single parents. For instance Martin explained

Well, kids are not cheap, are they? Kids are not cheap, you know that. So, I would probably say, single mothers with kids would find it more difficult than a single bloke, but I tend to believe, that a single woman without kids
would be facing the same problems as a single man, it’s just basically survival.

In Janet’s case, she had to bear costs related to her daughter’s health. She noted

You know, my younger daughter, chronic asthmatic and she is costing me a lot of money at the moment. But I don’t need a loan at the moment for that, I’ve got that covered but, you know, honestly if I didn’t have my job, her medical needs right now would be really…a real struggle

Janet was able to provide for the costs related to her caring responsibility because of a job, but noted the potential struggle she could face if she were without employment.

In addition to monetary expenses such as those described above, there were non-monetary costs associated with care such as, time. The time costs of care first surfaced in the responses surrounding limited employability for single parents. Due to primary caring responsibilities, program consumers discussed working part time or starting up their own business with flexible work hours. These parents, who enter the labour market, but still need to care for children were becoming time poor. As Janet explained

I work really hard. Not just at work. I come home and I have got two kids, so you know.

Being able to find leisure time, especially for those with primary caring responsibilities, is problematic and it cross cuts with time available to build community networks and support. While the examples hitherto reflect the experiences in the Australian context, these experiences resonated with responses in the Indian context.
Indian program consumers highlighted the costs associated with providing for large families. Dilip argued that large families in low income or poor households are unable to feed their children sufficiently. He noted

…if they have INR 100 with them, they have to use it for the whole family. It will not be enough so they take another loan of INR 100.

He also made the point that in order to meet the costs associated with raising children, poor households often take debts entrenching themselves further into poverty. Providing another example of costs of care was a male kin of a microfinance program consumer, Ravi who made a comment about the expenses associated with his son’s appendicitis surgery. Because of these unexpected costs, he noted that his wife was unable to make loan repayments for three months. In terms of time poverty, because men and women in the Indian context had clearly defined roles, the issues of time poverty did not emerge. In other words, women described their primary responsibility of running the household and caring for children and elders, whereas the men often discussed working in the labour market and keeping busy outside the house.

5.5.2 Gender in the problematisation

The responses in both contexts revealed the distinct ways in which the responsibilities for the costs of care were gendered. While women described their primary caring responsibility towards running the household and caring for children, they also made clear the lack of responsibility exhibited by their partners. As Janet stated

...basically my money…I would get paid by Centrelink or work, whichever at the time. And I would use that money to pay the entire rent, buy all the food, if we needed cigarettes, because I smoke. And then he would get paid
and he would say “Okay, well this week I want a slab of bourbon and I’m going to give half of it to my friends”.

According to her, men did not consider children as a financial responsibility and left the care and provision to the mother. This suggests that women are often left to bear the costs of care financially and otherwise, leaving them more vulnerable to poverty. Reflecting further on why such gendered responsibilities for costs of care emerged, Janet maintained that

Women are quite often the head of the household. Even if you have a man there, the woman is running the show.

She referred to the task of running the household in terms of balancing the income and expenses and noted that she had to do it in a responsible and efficient manner to keep the household going.

Interestingly, Thomas whose grown up children did not live with him, made a comment regarding men’s responsibility for costs of care. When questioned if the problems faced by low-income men were different as compared to those faced by low-income women, he explained

I think both are the same. If they're a couple, two items together, they got to try and cope with those two problems. But there are circumstances where there could be clashes…but you know I think men they should share the circumstances that they're in and what income that they've got…they got to be able to cope and utilise that to the best of their ability. To pay the roof over their head, the electricity, the gas and whatever, and the food.
Thomas’s comment indicates that men are not sharing in the costs of care as much as they ought to, leaving women to bear the costs. In addition, women are represented as efficient and responsible financial managers when compared with men, especially due to their primary caretaking role. For instance, similar to Janet’s comment on women “running the show” in terms of finances, in the Indian context, Shivani draws out women’s financial conscientiousness vis-à-vis men. She explained

> If we women have INR 10, we will tie it in our sari [cultural attire] and keep it safe. Men on the other hand, will just go to a shop and end up spending it.

In contrast to the theme of women’s responsibility, what emerged from the responses in both contexts was the notion of men’s irresponsibility towards the costs of care often leading to ‘wasteful expenditure’ such as inappropriate consumption of alcohol. In the Indian context, an example of wasteful expenditure by men is provided by Shilpa who explained

> In the mandal meeting we heard some experiences…Man is taking loans from the bank and where is he going? He is going to the beer shop…Then he will not be able to feed the family and there will not be any money left for the family to use.

Describing the reasons for why microfinance loans are not given to men, Ravi declared

> When men take INR 10,000 as loan they will not use the money in a proper way, they spend the money on drinking toddy or other beverages. And they will say, “I will not return the money, you can do whatever you want”. Like that they will challenge also. But if you give INR 10,000 to women they will request the sirs [loan officers] and they will work hard and pay the
amount. In all the banks also they are giving loans to women only. They don’t waste the money.

Elaborating on one of the reasons for why women are more responsible than men, Kamal noted

The women can gather at a particular time. They are good at paying or returning the loan. They will not roam around.

The fact that men are able to ‘roam’ where as women are not is associated with men’s indulgence in wasteful expenditure. The theme of men wasting money on alcohol also appears in the Australian context. For example in the quote already cited where Janet’s ex-partner said he would use his income to buy a slab of bourbon and give it to his friends if he felt like it, rather than use it towards rent or utilities. Due to women’s limited access to finances as compared to men, it can be argued that women are constrained in their ability to spend on items beyond the necessities, such as alcohol. This could also mean that men enjoy the agency provided by being in control of finances which they can then utilise in a manner suited to their sole needs, rather than the needs of the family.

5.6 Domestic Abuse

5.6.1 Gender in the problematisation

Another cause of poverty as reported by the program consumers was domestic abuse and this had a gendered dimension from the very first analysis of the responses. Both contexts highlighted that domestic abuse varied in form and impact. Janet’s case provides the example of financial abuse in intimate partner relationships. She explained that her ex-partner was in charge of decisions relating to finances in their relationship. She noted
He made it look as though I was in charge but there was never any money for me to do anything with.... distracted me to keep me away and I didn’t know it was happening... I had a few jobs within the relationship but my partner was very… had an issue with me working so he sort of made sure I lost every job I had.

According to her, this form of coercive control by her ex-partner affected her productivity and ability to retain formal employment. In addition to affecting her employability, it also affected her self confidence in applying for future employment. Voicing her feelings regarding return to work post separation from her abusive partner she commented

I tell you what, I was absolutely terrified getting in to work. Absolutely terrified.

Her example indicates that domestic abuse and its inverse relationship to employability, has a direct effect on women’s transitions into poverty.

Thomas also commented about the gendered dimension of domestic abuse and noted

Like this morning somebody got stabbed for some domestic thing. See. There you go. Because by wording out things to a man and he didn’t like it coming from a woman he’s going to get angry. And that’s what he did. He turned around and stabbed her eight times. That was on the radio this morning.

His comments reveal that gender based abuse is a function of women’s vulnerable social position in society. Whilst some women as described in Thomas’s example, faced life threatening consequences, others such as Janet, faced different but just as severe consequences.
Program consumer Deborah, who works as a social worker observed that women, who exit a domestic violence situation, often do not have a history of paying rent or utilities which affects their ability to find accommodation. Highlighting the gendered dimension of domestic abuse she explained

...the women are the ones who are generally supposed to take care of their families and ninety per cent of those in poverty are women. And quite often the women are also homeless. They are the ones that have had to get out. And they are the ones who stay with their friends for a couple of weeks and then move on to another friend and they have to take their kids with them...I mean the figures on domestic violence around women are absolutely crazy. I’m sure you know. It’s being able to leave, is always the hardest bit but then you have got to work out what you do once you leave.

Deborah’s comment emphasised the real threat of homelessness faced by women, especially those with primary responsibility for children. But an equally urgent need that emerges in such situations is that of ‘what next’. In Janet’s experience, uncertainty regarding finances compelled her to remain in an abusive relationship, especially with two young daughters, for longer than she wanted to. These illustrations of domestic abuse and its impact on self-worth, employability, homelessness and hopelessness highlight the non-monetary experiences of the problem as described by the participant of microfinance in Australia.

Similar experiences emerged in the responses of the program consumers in the Indian settings, especially in the discussion surrounding alcohol. Continuing on from what Shilpa
said previously about men and the excessive expenditure on alcohol, she provided a hypothetical scenario of what happens when a man earns his income for the day

While coming home he will buy 1 kg of chicken and bring it home. He will shout at his wife and ask her to serve him the curry. He will ask for more curry. Children will be there. What can she serve for children? Then nothing will be left for her.

In the hierarchy of household needs, Shilpa explained that man’s needs are foremost, followed, if at all, by children. In this particular example, there is no space for women’s needs, once again reiterating the previous notion of gender based abuse as a function of the vulnerable status quo of women in society. Lalitha, a 50 year old widow who was a part of the program since its inception almost 14 years ago, described the impact of men’s alcohol addictions on women and the family. She stated

Men earn but they spend money on drinking. They waste their earnings.

They put the family in shame. Men will drink, come home and beat wives.

Women and the rest of the household face not only the physical dimension of abuse but also the loss of face and social stigma as a result of such behaviour. Reiterating the power differential in interpersonal relationships between men and women, Urvasi explained

Men and women have different points of view which causes conflicts. So for the poor when they have conflicts, it is worse and the woman cannot fend for herself.

Domestic abuse – whether physical, emotional, psychological or financial – was a barrier that program consumers associated with poverty and the gendered analysis made clear that men and women experienced this cause of the problem differently.
5.7 Conclusion

This chapter has provided microfinance program consumers representations of the problem that microfinance seeks to address. The primary problem that microfinance seeks to address relates to access to finance, specifically issues such as limited financial services and products, and limited financial literacy. The interrogation of gender in the problem description highlighted differences in how men and women experience this problem. The gendered division of labour was prominent in both settings, wherein women bore the primary responsibility for child care and household maintenance. On the other hand, men took on the primary responsibility for work in the labour market. The fixed gender roles were represented as the reason for men’s relative familiarity with the financial system vis-à-vis women. Additionally, historical, socio-cultural and traditional norms were represented as constraining women’s familiarity and confidence in dealing with the financial system. An important notion that emerged from the responses from both contexts was that ‘men control finances’.

The second problem that microfinance sought to address, in both contexts related to limited labour market participation. Program consumers cited limited assets, lack of educational qualifications and work experience as the reasons for their inability to gain employment in the market setting. A gender analysis revealed that this problem was highly gendered because of fixed ideas regarding men’s and women’s role in India and Australia. Program consumers discussed the male dominance of the labour market, the gender pay gap and the concentration of women in part time and low paying jobs. They discussed the labour market biases which produced and perpetuated the expectation that a man’s worth
was valued by the ‘capital’ that he can bring in, while a woman’s worth was measured by her ability to balance household work with labour market participation.

The third problem that microfinance sought to address was discussed in relation to weak family/community support. Emotional and moral support especially in extreme circumstances (such as death, poor health, loss of employment) was reported as crucial. A gender analysis revealed that men’s and women’s experiences appeared as stark. The gender dimension of community and family support also related to the division of labour. For instance, women who maintained their primary role as carers enjoyed family and community support (India) or were more attuned to community services (Australia). The underlying norm which emerged was the men who weren’t independent subjects (participating in the labour market) and women who weren’t dependent non-economic subjects (participating in care work) enjoyed limited family and community support.

The fourth problem that program consumers reported was related to lack of education. The key difference in both contexts related to literacy and level of formal education as only 5% of the respondents in India had some form of tertiary education whereas almost 50% of program consumers in Australia received tertiary education. A thorough investigation of gender in the problem description did not reveal any gendered assumption in how men and women reported on their experience this particular cause of poverty in either context. The fifth problem that emerged in the program consumers responses surrounding what microfinance sought to address, related to costs of care. These costs were categorised as material costs – expenses related to household and child maintenance, and non-material costs - related to the notions of time poverty and irresponsibility. While seeking out gender
in the problem descriptions, it was found that a disproportionate amount of the costs of
care was borne by women in both contexts. This resulted from the cultural, historical and
socio-economic expectation of women’s primary role as caretakers of the dependents and
home. Interestingly, the notion of men’s ‘irresponsibility’ emerged in relation to family
finances, child care and wasteful expenditure such as alcohol.

And the last problem that emerged relating to what microfinance sought to address
surrounded experiences of domestic abuse. This problem appeared as gendered from the
very outset. That is, women in both contexts were represented by program consumers as
being vulnerable to domestic abuse. In the Indian setting, the material dimensions of abuse
were described as food insecurity and physical ill-health, whereas in the Australian setting
these related to an inability to maintain employment, obtain or be eligible for independent
accommodation and next steps after exiting relations of domestic abuse. The non-material
dimensions of abuse and its effect on women’s transitions into poverty were reported as
loss of face and self-confidence in the Indian setting, and hopelessness and low self-worth
in the Australian setting. The important finding in both contexts was that domestic abuse
was gendered, and was a result of women’s lower status quo vis-à-vis to men in both societie.
Chapter 6: Gender in consumer representations of microfinance: What does microfinance do?

This chapter presents program consumer representations of how microfinance addresses, overlooks or exacerbates the economic and non-economic dimensions of gendered poverty. While the previous chapter has drawn out consumers’ representations of six distinct ‘problems’ that microfinance seeks to address, this chapter highlights how these ‘problems’ are regarded as attended to (or not attended to) by microfinance programs in India and Australia. This process is significant because it demonstrates how the program consumers represent solutions to the problems they have identified and what role microfinance plays. This kind of analysis departs significantly from the mainstream evaluations of microfinance described in chapter 2 and 3 and illustrates the way in which the approach taken in this thesis opens up the ‘informational space’ on microfinance, but also on the relationship between microfinance and gender equality. The particular interview questions which elicited this information from the program consumers in both contexts were: i) Is the MFI able to achieve its goals?) ii) Who are included? iii) What about those who are excluded? iv) Why is the focus on women? What about the men? And v) what are the most significant changes experienced since joining the program?

As outlined in Chapter 4, the analytical process involved an interrogation of how the ‘solutions’ to the problem of poverty (broadly understood by the consumers as having at least the six dimensions described in the previous chapter) was represented in the consumer narratives (accessing problematisations). This was followed by a second level of analysis seeking out gender in the ‘solutions’, that is, interrogating how gender appeared or
remained absent in the problem representations. This analytical procedure produced six different types of representations of how microfinance is a ‘solution’. They are, microfinance as a means of: i) Accessing finance ii) Accessing market work and business opportunities iii) Expanding formal and informal support networks iv) Accessing educational experiences v) Maintaining the care economy vi) Securing personal safety. The chapter is divided into six sections with each section first providing program consumers representations of how microfinance was represented as attending to the cause of poverty, titled ‘The problematisation’. This is followed by how gender appears in this representation, titled ‘Gender in the problematisation’ and finally a discussion to highlight the key points within each theme.

6.1 Accessing Finance

6.1.1 The Problematisation

It becomes clear from the program consumers responses that the primary way in which microfinance sought to address the cause of the problem, access to finance, was through financial inclusion. An overwhelming majority of the program consumers in both contexts (6/6 in Australia ; 17/21 in India) discussed being included into the mainstream financial market through access to a microfinance loan. Program consumers in both contexts reported that the products and services offered through a microfinance program were convenient and flexible, especially with regard to interest rates, loan conditions and repayments. In Australia, Steve compared these features of microfinance loans with those of loans from mainstream banks and observed

Yeah if you go to the bank they will probably knock you back. And then you have got to pay interest on top.
Echoing a similar observation in the Indian context, Dilip reported in government initiated credit programs and noted

They [MFIs] wanted to see the welfare of the people. They wanted to help the people. As the government is not undertaking these things they wanted to help us.

Thus microfinance was seen as providing alternative access to finance for a particular group of people when the banks and governments were not. This particular group of people often could not meet the selection criteria set out by mainstream financial institutions such as credit checks or collaterals. In some cases, the microfinance programs enabled program consumers to build up their portfolio to become suitable clients of mainstream financial institutions in the future. For instance, the Adds Up matched saving program offered to successful NILS program consumers in Australia provided a way to build up a credit history which in the future could be leveraged to access more products and services from mainstream financial institutions. In the Indian context, the accumulations of assets that resulted from the income generating microfinance loans (purchase of goats, buffaloes, convenience store) were often used as collateral to apply for higher loan amounts from mainstream financial institutions.

Another way in which microfinance loans helped program consumers become financially included was through financial literacy. The loan process had an in-built component of budgeting, prioritising and savings. Janet observed that the microfinance loan and the supplementary financial counselling services attached to it assisted her in navigating the financial system, which she previously found to be unfamiliar and complex. The financial literacy component of accessing microfinance loans involved provision of information
pertaining to various types of lending services and service providers, such as money lenders and pay day lenders. Mary described the microfinance lending policy as having a ‘duty of care’ with sensitivity to consumer’s ability to repay lest they fall into a debt trap.

Some consumers also described their experience of financial inclusion through microfinance in a way that went beyond economic inclusion. Commenting on the non-judgemental approach of the loan process, Janet explained that the system is

…designed to help people, not to make money... they are not just, you know, going “Do you really need it?” Yeah. They actually want to help. Anyone involved wants to help.

Thomas who used the loan amount to purchase a new television also commented on the non-judgemental nature of the program design. He noted

Well, by giving the loan I got myself a new TV, a brand new one. Now, I'm able to turn it on, turn it off whenever I want to. That’s the freedom that I got. And once that’s paid off, I'm going to think about another item, because that’s the way it’s going to be.

According to Thomas, the ability to purchase what he valued, as opposed to what low income people are supposed to value, offered him freedom.

The organisational approach to financial inclusion was raised by Mary, who had knowledge about the program processes. She recalled meetings she attended with other organisations dealing with NILS and reported
…they are really judgemental. One organisation even had rules about, if you were going to buy a flat screen TV, you can only buy a certain size, like a maximum.

She illustratively provided the case of a program consumer who wanted a 40 inch flat screen television and was not approved for the NILS until he justified the need based on the fact that his disability restricted his movements outside the house and having a television at home was important for him. She finds such loan conditions to be ‘paternalistic’ and ‘judgemental’ and hopes that organisations dealing with microfinance loans appreciate program consumers’ confidence and ability to manage and repay loans rather than how they choose to spend that money. This idea of being more open and less judgemental was repeated by other program consumers in Australia through suggestions that the list of items which can be purchased through NILS be expanded to include, medical expense, vehicle purchase, vehicle registration, debt consolidation, air travel and rental bond. For instance, Janet discussed the usefulness of the NILS loans for homeless people and noted

Yeah well I mean it’s difficult to raise money for bond. Especially now like the rent prices have gone up so high. And I know there is help from the government to help pay bonds. But I think it only goes to half the amount. I haven’t moved house for a long time. But from what I know the bond prices have increased quite substantially. They are looking at well over a thousand dollars for a bond. So that, yeah, incredibly difficult to get into a house just for the bond. So maybe something where they can pay the bond money this also would be useful.
In the Indian context participation in the program was also appreciated beyond the financial level. The group lending model with its feature of joint liability provided confidence to poor people who were hitherto excluded from access to finance. Shankar noted:

Some people are not bold enough to take a loan because they have their doubts about getting employment, if her husband is not working how can she clear the loan, like that they think. She needs the loan but she is not able to come forward. In such situations there are five in a group. The other four women suggest to her that they will help her in clearing the loan and she need not worry about that. In this way they created opportunity for people who are in need. They joined poor people also like that.

Such strategies, to include people into the sangam increased their confidence and a sense of agency with regard to their abilities. Another inclusion strategy adopted by loan officers was to seek the help of existing program consumers to locate, motivate and recruit new members. This also created a sense of agency amongst program consumers since their opinion was now crucial in expanding sangams. It produced a new subject position ‘group member’ that contrasts with that of poor woman or the financially excluded.

In India, program processes were also represented as processes that enabled the inclusion of people of different religious and caste backgrounds. In rural India where caste and religious norms are entrenched, in some instances, ignoring or opposing segregation norms could prove fatal. Yet some program consumers highlighted the ways in which microfinance could circumvent these norms and create a space for inclusion. For instance, Swapna explained:
I told the officer that I cannot come to the hill to attend group meetings. It was near the government schools, takes about 10 minutes. Now because we are Muslims, we need to put on our burqa and go, we can’t just go without it. When the officer came to talk to us again later, I told him we have gathered about 25 women some of whom are Muslims and some are Hindus. I told him we cannot come all the way to the hill, and asked him to organise groups for us right here closer to our homes. So they agreed and for 3 years a group has been meeting in my home.

Albeit attempting to be as inclusive as possible, microfinance programs were represented as still unable to extensively reach the ultra-poor given their limited ability to repay, and as such were inadvertently excluding some groups. Lalitha explained that the ultra-poor if recruited need to work as labourers in the field so that they can make regular repayments. Commenting on their erratic financial position she noted

Those kind of people are also there in our groups. They work as labourers in the fields. They used to say that they are unable to pay back the loan by weekly payments. They wanted to pay by monthly installments. After some time some of them left the program.

The examples in both contexts demonstrate that microfinance programs are able to include poor people at the economic level of access to finance and also at the non-economic level in terms of sense of self, confidence and tolerance. At the same time, these examples also demonstrate the ways in which microfinance could potentially exclude vulnerable groups with limited repayment capacity and through entrenched notions of how the poor should spend the loan amount.
6.1.2 Gender in the problematisation

The gender analysis in the previous chapter, concerning access to finance highlighted the limited suitable options, limited familiarity and limited control over finances for women vis-à-vis men in both contexts. The responses to particular questions in this theme highlight a number of ways in which microfinance programs are represented as capable of addressing these barriers, sometimes intentionally and other times inadvertently. In the Indian context, microfinance organisations tackle the issue of women’s lack of financial access by specifically targeting them as potential clients. One male kin of a microfinance program consumer, Shankar, discussed the way that during recruitment, gender based inequalities are discussed directly by the program staff of the microfinance organisation. When questioned about how he came to accept this change in the lending norm from male recipients to female recipients, he noted

...when sirs come to our place they will explain everything to us. This programme is for women. You have to be happy that women are getting help. Men should avoid interfering in the programme. It will be useful for the family like that they will explain everything. After hearing all those things how can we question them madam?

It is interesting to note that men in the local community were willing to entertain such gender sensitising campaigns and were willing to be a part of the norm shift.

When questioned about men’s reaction to women-only finance, Roja noted

No they don’t feel bad. So far we have not seen that. Maybe very rarely in some families it might be there. When husband and wife understand each other well, it is possible.
She explained that men encourage women to borrow loans as this would benefit both, and both can bear responsibility for repayment. In trying to understand further how men are able to accept this shift in norm, wherein suddenly women are the focus of credit/finance system, it became clear that the microfinance organisation did not include the women at the cost of excluding the men. Rather, the organisation kept men involved in the loan process by requiring their initial and sometimes continued participation. Kalyani explained the way in which the microfinance process includes men in the decision making process of accessing, investing and repaying microfinance loans. She noted:

> Until husband’s signature is obtained they don’t sanction the loan. We are taking them [the loans] to our homes only...after we discuss with our husbands we come to an understanding that taking the loans provided by those people will be good for us. We also know that we are in need of money.

She also reported that in addition to the practical reasons for men’s signature to get the loan approved, there is another dimension of responsibility. She explained:

> Men also feel the responsibility for clearing the debts. Women are bringing money and both are paying back regularly.

Herein she explains the possibility of joint responsibility for loan repayments.

However, the narratives also make clear that for the loan process to continue, men’s ongoing participation (albeit unofficial) is paramount because of the male dominated labour market. Ravi, male kin of a program consumer stated:

> When a woman takes INR 50,000 from where will she get the money to repay? Every time I only will pay the money. She will not have even one
rupee with her to buy tea. She will not buy anything for home. She will not get even salt for the home. They will take the loan and return the loan but actually the men are working for the programme. Even if they give INR 100,000 as loan we are the ones who work and when we give to women then only they will pay...How can they pay without man?

In Ravi’s case, he was the only member of the household working to pay off the debt, but there are other examples of program consumers who work together with their male kin to pay off the loan amount. For instance, reflecting on the loan application which required signature of both spouses, Ramana commented

…unless we have their signatures together with ours the loan is not sanctioned. It’s not like we are getting money without their knowledge. The primary name might be ours but the work done involves mostly both the men and the women.

Here Ramana explains that team work is involved in the financial commitment taken by the couple.

The examples thus far suggest that in the Indian context, in addition to directly providing a suitable financial alternative to poor women and increasing their familiarity with the credit market, microfinance organisations and their loan processes are contesting previously held norms of men’s complete ‘control over finances’. In Ravi’s case this might not have been the case, but in Ramana’s narrative, there appears to be a disruption in the norm. And in Keertana’s case, this norm seems to have been fractured. She observed
…before women were not having money with them. Now they are managing with money. Now men are asking women for money so women’s status has come to a higher level.

At the superficial level, the control and status that women attain simply by gaining access to finance, might seem nominal. But the complex nature of control and agency is best explained by Shivani. She acknowledged the reality that women are the targets of microfinance but men are often the ones handling the money. But defending this strategy she concluded

At the end of the day, the money is used for the benefit of us both and our children. The money is given to him because there are big fingers and small fingers, and elders only should be given first.

Considering herself successful because of the loan design she noted

Even though there are 200 women like me here, you came to speak with me. Because of the way we are conducting our business. He will be there in front and I am always there behind to help him out. So therefore whoever takes the loan, benefit is for the both of us.

Roja commented on the non-suitability of sangams for men in essentialising terms. She explained

While working in a sangam people need patience. Men don’t have patience. And some men also have certain bad habits. They cannot sit in the meetings for long hours. In any field and in any job you can see the difference. So I feel giving loans to women will be a better option.
Additionally she commented that women were relatively more sympathetic and work in cooperation with each other. She averred

Even when we face certain problems we understand each other and work.

Gents do not have that ability.

Using group liability as an illustrative example, she explains that when one of the group members is unable to make a repayment, then the sangam would work together to meet that week’s deadline.

An important continuity in the design of the programs in both countries relates to gender of the program consumers. In the Australian setting, although the programs are not targeted to any particular gender, it is often women who are accessing them. For instance, Deborah noted that both men and women should be targeted for microfinance loans, nonetheless she acknowledged that

...there would be a lot more women taking it out than there would be men though. Because like I said, women are the ones who are more likely to need that to take care of their families, in my experiences.

The nature of the items offered through a microfinance loan in Australia, are overwhelmingly geared to support the running of the household (whitegoods). Deborah claimed that it is often women who are the primary caretakers of the household and the microfinance programs have a higher likelihood of meeting those needs. In addition to being a suitable option for women and their specific needs, Deborah also found that the programs could improve women’s limited familiarity with financial products. She continued to explain
...and because they might not have that credit history or they have inherited a bad credit history from their previous partner then once again this is a good way to get them started or to get that help because I know that the microfinance loan officer would talk to them about being able to – about the budgeting as well at the same time.

Discussing her personal experience, she noted

…it made me more confident and gave me better self-esteem to know that I could actually do this sort of thing.

Deborah believed that having access to such a loan made a difference in her life at a time when she was stepping out of an abusive relationship.

While not espousing the program to target women, Thomas found value in targeted programs in special circumstances. He noted

Depending on the circumstances of the woman...certain stuff like the husband might have took off or the husband may have passed away.

Explaining how the program might enhance women’s financial knowledge, he reflected

She will benefit out of it, yeah. And if she’s got the brain and cluey and they understand and maybe a bit more tutoring if she doesn’t understand, you know...making sure that they have to understand that this is not going to go all the time. And if you overspend then you're in trouble.

This suggests that, the financial literacy component of the program has huge potential to positively impact the lives of poor women who previously have had relatively less knowledge and experience operating in the financial system vis-à-vis men. A point to note here, is that in the Australian context, all female program consumers interviewed were
single parents when they accessed microfinance loans. Therefore, there was limited discussion pertaining to their spouses, while this was not the case in India.

6.1.3 Discussion

Program consumers in both contexts represented microfinance programs as providing an ethical and cost effective alternative to mainstream financial products and services. The non-judgemental program policies and processes elicited notion of dignity and freedom amongst the program consumers. The component of financial literacy was associated with producing a sense of confidence and agency within the clientele in their abilities to operate successfully in the financial system. While interrogating gender in the responses surrounding problem redressal, it became clear that the research contexts differed in the way gender based needs were addressed through the microfinance programs. In the Indian context, the notion of men controlling finances was partially disrupted through direct targeting of women and gender sensitisation campaigns that were part of the client recruitment process. In the Australian context, since majority of the program consumers were women, the loans were represented as meeting the gendered needs of household and child maintenance. But the notion of ‘men controlling finances’ was left largely untouched and unchallenged without the explicit targeting of women in the program design.

6.2 Accessing market work and business opportunities

6.2.1 The Problematisation

It would be intuitive to find that the respondents from India (16/21) alone would report on the labour force opportunities provided by the microfinance loans (given that the loans are offered primarily for income generation projects). Surprisingly though, two Australia
consumers (2/6) also described the ways in which microfinance could address limited employment and business opportunities. The majority of respondents reported that microfinance loans gave them an opportunity to negotiate the labour market and create new employment opportunities which did not exist previously.

The case of Padma illustrates clearly how the microfinance loan helped her negotiate the labour market. When her husband passed away, Padma moved back into her parent’s place with her young daughter. She used to take up agricultural waged labour wherever and whenever available to make ends meet. After being able to access money through microfinance, she was able to set up a kirana shop in the front room of her parent’s home. Comparing the earlier employment in agricultural fields to her present situation, she observed

> When I used to go out to work on field I used to leave home at 8 in the morning and return at 6 in the evening for which I used to get INR 100 or 50 per day...I do not have to go out now. I make enough money for myself. After I set up this shop I had gone out to work [agricultural work] for about 15 days to a month. Then my parents looked after my shop. Now I run the shop myself along with my daughter.

Because Padma’s shop was the only one of its kind selling everyday necessities such as toothpaste, hair oil, sugar and the like, her business was profitable. She reported that the income from her business enabled her to increase her inventory, support parental home renovation, purchase television and pay for her daughter private school fees amounting to INR 2000 per year. In addition, her niche business venture in the village, offered her recognition within the local community.
Male kin of an Indian program consumer, Kamal, explained that agricultural labour was the main form of employment in his family for generations. While this work was tough, it was neither profitable nor continuous. But after his wife received a microfinance loan, he has set up a convenience store which not only provided continuous income but also made him the boss of his own business. He cited gaining employment as the most significant change in his life since becoming associated with the loan program. Kamal’s experience of participation in the labour market found resonance with other program consumers such as Dilip, Suriya, and Ravi, all of whom started a small business venture with the credit they accessed as a result of their wives’ membership in the MFI. An interesting observation in these particular cases is that women were in a position of ‘gatekeepers’ for men to engage in the labour market. Additionally, Kamal made an association between lack of employment and migration to the cities. He explained that prior to microfinance programs being established in his village, four years ago, it was common practice for the male members of families, and in some instances entire families, to migrate to the cities in search of employment. He noted

Both men and women in our village used to lock their houses and go to cities. That was four years back. Now only 10% are going. The rest are staying here only.

Here, microfinance programs were represented as providing new and alternative forms of employment resulting in decreased number of people migrating to cities in search of employment.

In Australia, the indirect employment enhancing potential of the loans was identified by Deborah and Janet. Deborah, who was completing a course in social work, was unable to
complete assignments without a computer at home. As a single mother with primary caring responsibility for her young daughter, she noted that travelling back and forth to university increased the time cost of care and costs associated with travel. With the help of microfinance loan she purchased a computer, which met both her and her daughter’s educational needs. After successfully completing her course, she was able to secure a job as a social worker. While the microfinance loan might not have directly enabled her to gain employment in the labour market, it indirectly supported her endeavours in this regard.

Janet was denied a NILS loan to purchase a second hand car, which she needed to attend job interviews and improved her employability. Commenting on the employment enhancing potential of the loan she stated

…this would be great for unemployed if they don’t have a car as well. They can get a car and go out looking for work.

Interestingly, she reported that she still benefitted from approval of a NILS loan to pay for another pressing need, a mower and snipper. She noted

I wasn’t able to use the NILS* loan for the car but that’s why I became interested in it. Because I found out it wasn’t able to help me for what I needed I did also need desperately a mower so I was able to obtain a mower through the NILS loan and a whipper snipper…So to get that [car] I actually, I just grabbed whatever money I had there at the time. So I just didn’t pay rent that week and I caught back up. And I also borrowed three hundred dollars off one of my friends for a week and I think… I sold my car – my little wreck.
By not having to shell out lump sum amount on the mower snipper, she was able to save eventually for the second hand car that she needed.

In the Australian context, microfinance loans were represented as addressing the issues of limited income from employment for low income earners and helped them meet emergency expense, potentially halting their transition into poverty. Additionally, some program consumers were able to use the loan to enhance their employability. In the Indian context, the microfinance loans directly addressed the issue of limited or lack of employment by providing new and innovative forms of employment and reducing people’s migration to the cities.

6.2.2 Gender in the problematisation

The previous chapter highlighted the ways in which gender affected a person’s ability to seek labour market participation. This section will highlight program consumers’ perspectives on microfinance programs ability to address this imbalance. The responses from program consumers in India clearly represent microfinance programs as addressing the inequitable position of men and women in the labour market. This representation does not appear in the Australian context, and could be attributed to the nature of the loans which were meant for consumption needs as opposed to investment/income generation needs. As such, examples of gender in the redressal of the problem of labour market inequality were given more frequently by Indian program consumers. Roja observed that the microfinance program provided an opportunity for women with limited work experience and qualifications to participate in the labour market. She noted
In the sangam there are many women who have 10th class qualification. Some of them are employees. But with a qualification like 10th and 12th they will not get any job outside. I have done my B.Ed. but I am getting only INR 2,000. Sangam has provided a good opportunity for such women with work. Even though some do not have education…from younger women to elderly women…they are capable of managing business with the help of sangam.

Sundeep, whose wife is a microfinance program consumer, attributed the reason for targeting women to their limited access to labour market and business opportunities in apposition to men. He observed

Men are doing some kind of work. So they are giving [loans] to women.

In other words, because men are able to access employment in the labour market, it is the women who need this type of assistance.

The previous chapter identified the barrier of ‘going out to work’ for women in the rural set up, and microfinance programs specifically attended to this issue by delivering the services at program consumers doorsteps. Quite literally, the sangams were formed in the local village and often the employment that emanated from them was established in the local community itself. But there were also occasions where the programs increased women’s mobility. Dilip commented on the visible change in women’s mobility due to participation in the program. He observed

In the beginning they don’t know anything or any place in the village. Now they are able to go around by themselves. They are able to travel to head
office in the town centre. They are able to move with officers and MFI staff.

It appears that women’s ability to access market work and business opportunities was made possible in a manner that was not intimidating to the men. The design of program sought the knowledge, approval and support of the rest of the household so that women were able to break the norm and venture out of their homes and villages. The financial and gender sensitivity training that is part of sangam recruitment and orientation directly addressed some of the inequalities faced by women and men. For instance, Meena explained:

Now in the sangams what they have told us is that, whether men do a coolie job or women do a coolie job, both have to demand equal pay. This generation even though they are not well educated, they have realised in their minds that they are no less than men. So inequalities are gone. And this is mainly due to sangams.

In other words, the design of program was represented as recognising and advocating against certain unequal norms surrounding the labour market.

The effect of tackling gendered issues directly is reflected in Shankar’s response when questioned about his reaction to his wife’s role as group leader. He explained:

Sometimes she will say I have to go to other village or city. When there is a need she has to go there. After coming back she has to tell all the things she heard to the other members in the group. We should not say why are you going there? Why you went there without informing me or taking my permission etc. We should not say all those things.
He played a supportive role in allowing his wife to attend meetings and travel to places outside the village for that purpose.

An interesting observation is that, women’s participation in the labour market was possible as long as it did not infringe upon their caring and other household duties. The weekly meetings were held either in the early hours of the day before children had to be readied for school or in the evening after household duties were taken care of. The loans taken were invested in projects that could be independently handled by women in home based projects such as convenience store, livestock rearing. Some investments were also made in interdependent projects such as driving auto rickshaws and saw mill business. In the majority of the projects, women found a way to balance work with family life. For instance, program consumer Suma, took a microfinance loan to invest in the family sawmill business explained

After finishing the household work I will go there sometimes to supervise the workers in our business.

Or in the case of 50 year old widow Lalitha, who lives in a joint family set up with two sons, two daughters-in-law and two grandchildren, who was able to balance work (selling buffalo milk in the market) and family life because of the support of daughters-in-law who remained at home and took on the responsibility of home and care work.

In the Australian context, program consumer Deborah explained that the expenses incurred by the working poor, specifically single mothers, were beyond the income they earned and could be a potential reason for their transitioning into poverty. She asserted that women are less likely to access full time market work or business opportunities because of their
primary caring responsibilities. According to her, the microfinance products like NILS and AddsUP were suited to meet extra, and in some cases unexpected expense faced by low income earners. She explained

Ninety per cent of the people that live in poverty are the women and their families that are looking after them so I think that it’s really important to be able to look at that from a feminist perspective and you know that the people that need these sort of loans are quite often the women.

As a social worker, Deborah deals first hand with low income men and women every day and hence is relatively more informed about the issues surrounding poverty. She reflected upon the potential for an entrepreneurial loan program to balance employment and caring responsibilities for single parents on welfare benefits in Australia. Discussing one of her client’s needs for setting up a business she commented

But then, if she could get finance to help really kick start it then she could actually be at home with her kids and run her own business from home. So that would be really good for her and help hopefully get her out of some of the poverty cycle, she could afford to rent something a bit better than what she is in. She could afford to make sure that the kids have always got food in the fridge and in the cupboard.

One observation that can be drawn from such responses is that microfinance at times disrupts gender norms regarding mobility and employability of women, but at other times it further entrenches these very norms.

Kalyani in India, for instance, commented on the irony of giving loans to women who could not fully participate in the market setting. She noted
…if they give to men they work and repay the loan, and what can women do? When men give them [money] only we are able to pay back the loan.

A similar reflection was provided by Kamal who pondered

Men have their other activities. They will not be able to spare their time. Women will be at home. When men go out women will ask for the loan amount when there is a meeting. Women are at home so they pay the amount and men will go to other business or work.

The convenience of ‘doorstep banking’ could be a strong reason for men’s acceptance of women’s participation in sangams. Nevertheless, Meena reported on the changed behaviour of rural Muslim women and commented

In the beginning, the Muslim women would never leave their homes. They would not come anywhere. So much so, they would not even get operations [medical] done. But now, after becoming a part of sangams, they are also coming to the meetings.

While it may seem that the program is restricting women to limited ‘spaces’, it is also interesting to note that for some women, these spaces are extended.

6.2.3 Discussion

Program consumers in the Indian context reported the new and innovative self-employment opportunities that arose as a result of the entrepreneurial loans through microfinance. In the Australian setting, program consumers reported on the pathways to employment as well as meeting emergency expenses that would have otherwise not been met through welfare income. The interrogation of gender in the problem redressal highlighted the ways in which microfinance policy and practice colluded with labour
market biases as well as challenged it with a variable degree of success in each context. In the Indian setting, the entrepreneurial loans were reported as operating in collusion with labour market expectation of men’s primary participation and women’s secondary participation. In the case of women who did not have a man who could participate in the labour market on their behalf, the loans provided a new opportunity to test their capacity in the labour market. But in addition to working with labour market biases, program consumers also cited the programs ability to challenge such biases through gender sensitisation regarding wage pay gap and women’s mobility. Specifically by bringing the labour market to women’s doorstep, the programs created a space for them to maintain housework, child care as well as an income generating activity. In the Australian context, suggestions were made to extend entrepreneurial loans so that flexible employment for single parents could be created. Since the gender imbalance in labour market participation was not part of the conceptualisation of program processes, despite some program consumer raising the issues, they were not challenged nor disrupted through the programs.

6.3 Expanding formal and informal support networks

6.3.1 The Problematisation

Program consumers represented weak family and community support as a problem of poverty and provided their responses as to how microfinance addressed this issue. Their responses centred on the notion of ‘emergency resort’. That is, who can the program consumers turn to in case of an emergency. In the Australian context, four out of the six respondents accessed microfinance loans in emergency situations such as fridge breaking down, exiting domestic violence situation (beds, lounges, mower, TV) and university educational support (computer). These program consumers felt they could not reach out to
family or friends to get the needed amount to meet urgent needs. There were no available options from banks or other community organisations to purchase emergency items. Providing an example of limited support is Martin, a mature age program consumer on a disability support pension and with limited family ties. He was single and the running of his home was entirely dependent upon him. He stated

...I was stuck. My fridge broke down. I have had that fridge for life, a number of years, half a dozen years or more and then I moved to a new place and I mean, it was not working all that... and all of a sudden I’m stuck without a fridge and I have to do something, and the program was there, and it was able to help me.

Due to involvement with voluntary service at the local community organisations, he became aware of various services and products available to low income earners, one being microfinance. With the help of the microfinance loan officer based at that organisation he found out that he could purchase brand new items at discounted rates and not have to pay interest on the loan. Commenting on the difference it made to him he noted

It gave me, at the time, it gave me some peace, in that I didn’t have to survive without the fridge until I found one in the street or was able to get one somehow, like a second hand one, but I was able to buy a brand new fridge which would hopefully, last 6 years without a problem.

This is indicative of the program’s potential to provide a type of formal support network particularly in emergency situations for people with limited family and community ties.
In addition to feeling supported in time of need, program consumers also reported a sense of belonging, goodwill and trust that emanated from their interactions with microfinance support staff. Thomas stated

I think they are good people because I think they trust me and I'm there. I'm never late for my appointments. I'm always on time for my appointments.

And also when… You know, they treat me good, I treat them good.

Thomas also touched upon aspects of community belonging which he experienced as result of microfinance loan. Describing the option to physically go into a bank to make a saving deposits (part of matched savings microfinance program) he stated

I'm physically going into the bank and then depositing my money because I prefer to do it that way. I like talking. I love people talking. Just to say “Hello, how are you?” Lovely day outside.” And the big sign on the side of the bank is their birthdays and I say to them, “Happy birthday”.

This was represented in stark contrast to the business like and sometimes judgemental experiences with other financial services such as Banks, payday lenders or Centrelink. Program consumers reported that the microfinance support staff was often sympathetic and helpful. Janet compared her previous experience with payday lending and commented on their service as having

...absolutely no understanding whatsoever. I felt incredibly inferior... But I can assure you I will never go anywhere near them again. They have lost… that was a twenty year customer. And I will never go near them again. Because I walked out in the middle of my town, in the main street bawling my eyes out because of how I had been treated.
At this point in the interview, Janet became very emotional recalling her experience with payday lenders. When asked further about her experience with microfinance products and services, she stated

I felt supported. The fact that I knew that if there was anything, any glitches, any problems, just anything. I knew I could make a phone call. The microfinance coordinator really, really stressed that, you know.

This sense of belonging, goodwill and the often cited word ‘trust’ were reflected in the comments of program consumers in the Indian context as well. In the Australian context, the support was on a one-to-one individual basis emanating from the interactions between program consumer and the microfinance loan officer. On the other hand, in the Indian context, support was manifested in the collective of the sangam emerging out of the relationships between group members, their loan officer and the male and female kin of the group members. The interdependent nature of the household in the Indian rural setting meant that family of the group members were familiar and informally associated with the group. Lalitha, one of the longstanding members of the sangam (14 years of membership) joined immediately after her husband’s death to be able to access finance and contributed to household maintenance. Although the local village community was suspicious in the early years about a program targeting women, she nevertheless joined the sangam and recalled

I got the confidence only after joining in the sangam and am managing the things by myself.
Her continued membership with the groups for several years suggests that she benefitted from the support that the group provided. Another program consumer, Kalyani, made the observation that mutual trust (amongst group members and staff) was foundational to the loan process. Elaborating further on this she noted

Whether we have land or not they are giving us loans only by mutual trust.
They gave and went away and we are regularly paying back the money.
And we developed trust among us.

Taking this notion of trust one step further, Dilip noted

When we were in sangam we used to feel that we are depending on our parents. We used to have that much of confidence in the sangam. We use to explain our situation to sir [loan officers] or even we used to fight with him and got loan and cleared it. In our family all other family members are well off. I was the only one who needed money. But I never depended on my family members. And I depended only on [microfinance organisation].

But this focus on ‘trust’ meant that those poor people who were perceived as not trustworthy were potentially being excluded from the group. Based on the majority of the program consumer’s responses, it was found that the recruitment process of potential program consumers aimed to be as inclusive as possible. While the primary criteria for inclusion were persons in poverty, it was supplemented with the criteria of persons who are trustworthy. This was crucial in order to minimise defaults on repayments. Kamal described the type of people in a sangam as

Trust worthy people. If all of the 5 members trust each other that will be good.
He defined trustworthy people as those who abide by their word. In the specific context of microfinance, trustworthy people are those who have capacity to repay and are willing to do so. Those who do not meet this requirement cannot be included in a group. When asked about how those excluded can be helped, he replied

…the government should look after them or they should live by begging.

This indicates that although the programs were targeting the poor, they were still excluding other vulnerable groups.

While most program consumers agreed upon the criteria of trustworthiness, they were also more accommodating in strategies to include as many as possible. For instance, Suriya was of the opinion that during recruitment, detailed information has to be gathered about people’s capacity to repay, their income and assets. Those found to be lacking in capacity to repay should be helped by those who have this capacity. He notes “In each group there are 5 members and the other 4 have to help the one in need”. But this strategy can only be used in extreme, emergency cases since the other four group members are also reliant on minimal resources and would not be able to sustain extra payments on a long term basis. In the Indian MFI, there was a unique set of loans provided as auxiliary services of the organisation. The grant like service called Ultra Poor Program designed to be inclusive, was able to strengthen weak community ties. Talking about this product, Meena explained

The other day staff from the microfinance visited a couple who live in our neighbourhood...They are an elderly couple, they have no one to support them at present. They do have a daughter, but she is married and does not live with them. So now, they have no one. The man does not have ability to work. Neither does the woman. Sometimes if she comes to the market, I
give her INR 50 or give her some rice. But its not possible to provide for them for the rest of their lives, right? Not just me, even others will not do it...The deal [UPP contract] was that INR 1,000 would be given as subsidy, they would have to put in INR 1,000 from their pockets and they we could help them with getting the hens. So they agreed. So there is a place for such people also in this organisation.

The problem of weak community and family support has been addressed in a number of ways through the microfinance products and services. The examples from the Australian context demonstrate the ways in which microfinance is able to provide a form of formal support on a one-to-one basis to program consumers in emergency situations. In the Indian context on the other hand, both formal and informal support is possible through the group collectives that form around microfinance. But in both contexts, the findings make clear that microfinance products and services have garnered notions of trust, goodwill and belonging among the program consumers.

6.3.2 Gender in the problematisation

The section outlining limited family and community support in the previous chapter brought to fore the gendered nature of formal and informal support networks and the opposite way in which it appeared in both contexts. That is, in the Indian context, the responses highlighted the limited support women enjoyed in the community. In the Australian context on the other hand, the responses revealed the limited connection men had in the community. Given these contrasting experiences of community and family support, it is interesting to observe the manner in which microfinance programs were perceived to provide the necessary community support for men and women in India and
Australia. As noted previously, in the Indian context, women were targeted by the microfinance program. Keertana revealed the microfinance UPP program specifically targets a certain group of women providing them with the needed support network. She stated

They select women who do not have anyone to support them. Some are widows. Some are single women.

Male respondent Shankar discussed recruitment strategies and noted that when women are sceptical about their ability to participate successfully in the programs, especially when their husbands are unemployed, the existing group members offer their support during emergency situations, thereby allaying fears of failure expressed by potential program consumers. Since the programs operate through a collective – sangams – readymade pathways to community support and engagement for some women were discovered. For instance, Swapna, a Muslim program consumer, was unable to interact and engage with other women in her village or outside her village due to religious norms. But since joining the sangam and eventually becoming a leader, she was in association with 70 other program consumers, including those from other religions.

Other program consumers also talked in depth about the group feature of the program, and the instant community network of people within the same village that it afforded. For instance, Meena made the case that because women participate in group meetings and build connections with other group members, they can always access these connections for monetary needs during emergencies. At the time of the interview, microfinance programs in the state of Andhra Pradesh, in India, were stalled by the local government due to politicisation of the issue of making profits while giving loans to poor. Being unable to
participate in microfinance groups for about a year, gave program consumers time to reflect about the pros and cons of the program and added unique insights to responses. Meena reported on why the women do not continue to meet since connections have already been established by the sangam, she said

> Not in these numbers, no. How can we gather? If there is a time and a purpose for something, perhaps we can gather. See, if there is a feast, then family members will come together. Now these sangams have also become rare like that. If not anything, at least we would have access to some finances, we could borrow since we are part of a sangam.

Evidently, the requirement of weekly meetings forced program consumers to take time out of their daily routine to meet with fellow groups members. The regular acquaintance might have provided opportunity for building good will and trust and seek help amongst themselves during emergencies. Meena uses an intimate imagery to describe her connection to the groups. She commented

> Identity, the sangam was an identity, it was like our kanna thalli [biological mother], honestly speaking.

Non kin support that was traditionally not received by these groups of rural women was now, suddenly available as a by-product of program participation.

Nevertheless, other responses highlighted the fact that microfinance programs with their exclusive targeting of women, were in conflict with community expectations regarding women’s role (i.e. in the house versus the market). The manner in which the community responded to such targeting was not uniform. Suma found that there are varying levels of acceptance of the program amongst the male kin of program consumers. While she
observes that some change has occurred as the community and men in the community are appreciative of women’s financial agency and the subsequent benefit for the household, nonetheless she reports there still exists some doubt about women’s ability to perform in the financial/market setting. She noted

Some people say because my wife did this business things are going on well. Some say what can a woman do? Both ideas exist.

Reiterating the negative repercussions of microfinance programs going against community expectation, Urvasi a single women herself, observed that sangam might exacerbate inequalities amongst men and women. She noted

I think inequalities will arise. Men will say, these women have nothing better to do hence they are joining sangams. What do men know? Those who don’t care and are fearless will continue but there are others who will think I don’t want to bother and not join.

Her comment makes the interesting point that while inequalities might rise, there is also an opportunity for women to disrupt entrenched norms about women’s role. While the norm shifting potential of the program is not explicitly discussed by many of the program consumers, the fact that microfinance programs have provided a formal network of people from within the community who could potentially support each other in emergency situations was identified by most.

In the Australian context, the responses seemed to portray men as the ones with limited community support. Through formal and on a one-to-one basis, male program consumers discussed a level of support they received through association with microfinance programs. For instance, Thomas who was suffering from an underlying depression due to death of a
close friend, participation in the program provided him a sense of belonging. Being able to go into the local bank to deposit money (even though this could be done over the computer at home) and interacting with bank staff, gave him opportunity to engage with locals in the community. He also discussed notions of mutual trust that emanates from repaying loans and being able to secure the next round of loans. The formal support through such loans was significant for program consumer Steve, who was on disability support pension. He reported that he spent all day in a wheelchair and rarely went out. Even though he had friends, for the most part, he remained isolated confined to his home. He was appreciative of the support of the loan officer in helping him budget and the program in meeting his home based needs such as television, fridge, microwave. He stated

...every time I get home, everything is brand new. What I’m buying. And I quickly pay it back and then I will go for something else. Because I want to get beds and everything up in the house.

Although isolated due to physical handicap, he still was able to gain a form of support for items that would not have necessarily been approved by other financial institutions and charities.

An important insight gained from some respondents was that although women seemed to be ‘out there’ and access services much more than men, it seems this community support was insufficient to help them navigate the complexity of domestic abuse. For instance, in Janet’s case, she reported that she did not use the NILS loan at the time she left an abusive relationship. It was only the notion of a financial backing through an organisation offering a microfinance loan that she could make that decision. In fact, when she came to look for a
loan, it was for a second hand car, which was not on the approved items list. Nonetheless, Janet felt that she could access finance for other items at a later time. She noted

I knew there was a support... It [loan] got me out of my relationship just, not even using it. I didn’t even have to use it to get out. Just knowing it was there got me out.

At a later time, Janet applied for a loan and was approved to purchase a mower and snipper to clear up her garden once her ex-partner left. Speaking more generally about the benefit of such loans to women, Janet stated

...just the fact that the women that are accessing these loans… I think just the fact that they are accessing the loans. Paying them off. Obtaining assets for their families. Just that – what that does for them makes changes in the community, doesn’t it? Wouldn’t it be nice if it reduced depression and loneliness and stuff like that? And maybe in a small way it does do those things.

The responses from male program consumers reveal the one-to-one support to address issues of depression and loneliness through a sense of belonging, good will and trust. At the same time, from the female program consumer, it is clear that albeit being more community minded, they still need a backing when facing issues of domestic violence and in Janet’s particular care, an institutional support through finance and financial literacy provided by them microfinance program.

6.3.3 Discussion

Program consumers reported on formal and informal types of support garnered through microfinance programs. In the Indian context, formal institutional support as well as
informal support through group collective was indicated. In the Australian context, formal institutional support was noted. In seeking out gender in the redressal of the problem, it became clear that in India, the strategic targeting of women created readymade pathways to community support and engagement for women. Program consumers noted the various roles women now donned in the community - care taker, bread winner, group leader – which as a result challenged and in some cases disrupted rigid community expectations of gender roles. On the other hand, in the Australian setting both male and female program consumers reported drawing support and a sense of belonging and trust from the formal support received through microfinance program and its staff. Nevertheless, since the gendered nature of community support was not part of the conceptualisation of the problem the program was supposed to address, the norms regarding gendered roles and community support remained unquestioned and unchallenged.

6.4 Accessing educational experiences

6.4.1 The Problematisation

Although only four respondents overall identified lack of or limited education as a cause for people’s transition into poverty, when discussing the ways in which microfinance address the problem of poverty, nine more respondents broached this topic. All of these respondents made a straight forward connection between the program processes/outcomes and education. In the previous chapter, Meena was reported as making the link between illiteracy with poverty. She found that in her village, government efforts aimed to educate children often neglected the literacy and numeracy needs of adults. According to her, sangam filled this gap by teaching them basics. She noted
In this village some people used to shiver when we asked them to put signature. Now because they have to do it weekly, they have become very confident. Very freely they will say, please give me the signature book, sir.

In addition to basic knowledge gained with regard to numeracy and literacy, she observes that a specific skill set was also developed and honed during the course of participation in such programs. These skills are related to developing and managing a business, dealing with vendors, customers and creditors. She reflected

One of the biggest learnings has been the ability to make transactions with banks and to interact with people.

Another program consumer Keertana noted that these skills have made them ‘active and intelligent’.

On the surface, education seemed to represent knowledge about the financial options and other skill sets related to business operations. But the responses clarified that education involves lifelong learnings about self and the ability to bring about change. Many respondents touched upon the aspects of future aspirations, citizenship, agency and attitudinal shifts. Program consumers felt that the education was inclusive because of the specific targeting of the poor and the vulnerable such as women. For instance, Padma, a single mother considered as ultra-poor by the microfinance organisation in India, was initially apprehensive about joining the sangam. But when the loan officers came on two separate occasions to explain the benefits of the program, she decided to join. In addition to becoming aware of finance options for landless agricultural workers, Padma reported on the increased communication skills. She stated
We never knew how to talk to people like you. We were afraid and we kept quiet. As and when the volunteers [microfinance staff] would come and talk to us, we opened up gradually. Like I am able to talk to you now, earlier I could not do so.

Delving further into interpersonal communication skills as part of lifelong learning, Meena reflected

We have learnt how to speak with different types of people. We have learnt padathi [order]. In the sangam meeting when we go, we can’t walk in with money and leave. We need to say our pledge, put in our signatures and take attendance. Its like studying, the sirs are teachers and we are students. Earlier when any sirs [loan officers] came they were never acknowledged. Now when they come, we say namaste [Hello]. That is also padathi right?...Public speaking was not something we could do earlier. If anyone asked us to give our opinion, we would sit still. Since the sangams have started, everyone has an opinion and everyone wants to give it.

An interesting topic that Meena raised related to the issue of caste based divisions and how the program process helped navigate them. She noted

Earlier those of high caste would be wary to come and sit near or even touch someone from another caste...Now they come and sit just next to us brushing against our shoulders.

Another aspect raised by the program consumers was regarding learning everyday life skills. Fifty year old Keertana, who was considered ultra-poor by the microfinance
organisation, described the ‘better life’ that she learnt to live since joining the group. She noted

We have learnt how to wash our face, washing hands properly before eating our food, we have to take medicines when we are ill, we have to use medicines for goats and buffaloes, we have to drink boiled water, we have to cook rice with necessary water and should not pour more water and should not drain away the extra water. We learnt all these things.

In addition to learning the benefits of simple cleanliness, there were also lessons on water conservation. But it was not just a one way street of learning according to Keertana. Due to her many years of experience working as a goat herder, she gained expertise on local plants and their medicinal value. She explained

I gave information about different kinds of plants with medicinal values. When 30-40 people gather at the meeting I stood first for giving that kind of medicinal plants information. I used to say how much quantity of medicinal plant is required for different kinds of sickness. I became like a health coordinator. For example ‘thippa theega’ [indigenous plant] is good for cataract. We have to crush the plants leaf and extract juice from that and apply that juice in the goat’s eyes.

These everyday life skills that improve quality of life are not usually attributed as an outcome of microfinance loans. But given the nature of the clientele, it appears that the program staff was able to customise services and information so that the overall quality of life of the program consumer was improved. The life skills enhancing aspect of the microfinance loans was echoed by a program consumer in Australia as well. For instance,
talking specifically about people with intellectual and mental health disabilities, Janet explained:

I know a lady that…actually this would probably really benefit her. She is intellectually disabled but she is still bright enough. And I think she could actually – if she was to utilise this program it would really help her. She would start utilising what she has learned from it and start doing – if she had to pay back twenty dollars a fortnight, she would probably realise. And I know she would learn from it.

In other words, the microfinance programs in Australia which can facilitate the program consumers to graduate from a NILS to an AddsUP product could be an ideal phased learning process for certain people suffering from intellectual and mental disabilities.

Another set of skills that microfinance provided especially in the Indian context, as a result of the group nature of the loan processes was leadership skills. Dilip recognised that the sangam provided an opportunity to develop leadership skills. Citing his wife’s journey as an example he noted

As a leader she became an important person. When someone needs loan she acted like an introducer for the members. She has to accompany them and sign for them. Now everybody knows her. Since two years she is the leader. All the members together elected her as their leader.

When questioned about the significant change in their lives since joining a microfinance program, respondents in both contexts spoke about attitudinal shift. That is, a shift in how they viewed themselves and their abilities. Based on their responses, it seemed that this was not a one off event but rather lifelong learning which was prompted as a result of
participating in the program. For instance, Martin, while reflecting upon significant changes in his life since taking up the NILS loans, noted

...gives me encouragement, to try to save a little bit harder, and it has made me think about money, to help like it goes so quick, I need to focus more on trying to leave it in the bank, instead of buying things that are really unnecessary.

The new attitude towards money and savings has made a difference to how he perceived himself. He noted

Sometimes it’s nice to buy little things that make you feel good, that you’re not in a gutter, you’re not down and out, you're not homeless.

It has increased his self-worth. The matched saving program has made him think about possibilities for the future. He observed

I’m starting to make me think ahead, I’m thinking $2000, well, I can go on a nice cruise, $1200, I have $800 spending money, you know what I mean like, if I wanted to?

Echoing a similar comment was Thomas who found an outlet through the NILS program to increase his self-esteem. He noted

Nothing really changes around me, it’s an upheaval, but it gives me an opportunity to skite sometimes. Skite is a big “I'm the best.” Look at my flash stereo. Look at my new TV. Look at my new washing machine. I'm like the best. See, I'm able to do that to my friends. Look, this cost me $368. So, it’s a matter of self-confidence.
The notion of future aspirations and goals resonated with program consumers in India as well. The microfinance loans together with the opportunities for employment and further credit had instilled optimism about the future for Kalyani. She noted

...we want our children to be in good jobs. We like to see them flying. We want them to become a doctor or an engineer. We want them to study well and settle at a higher level. Whatever hardship we undergo is for our children only. We are poor and we don’t have anything. If they study well their future will be good. If you can continue giving us loans that will be a great help for us. We can provide good education for our children.

Roja made a similar observation about the intergenerational nature of poverty and the way in which microfinance can potentially address it and concluded,

If the sangam was there for some more years we could have provided good education to our children. Many parents could have sent their children to schools. If they had upgraded till 10th class there could have been good development.

While there was no equivalent response found in the Australian setting, i.e., microfinance and its ability to address intergenerational poverty, there was a comment made by Janet echoing the intergenerational nature of poverty (Chapter 5, section 5.31).

The various opportunities for lifelong learning through microfinance, is likened to a map with routes by program consumer Meena. She explained

Now there is a route. You came here to me, either to teach me something or to learn something from me. Through you I will know something and through me you can learn something like our ways. How do you think I got
this route? Because of [MFI], because of sangams. If you create routes, only then will people use it. If you want to go on a long tour, it is because of the routes that you can get there. Because there was route you were able to come here.

6.4.2 Gender in the problematisation

Whilst gender based distinctions were unclear in the description of the problem of limited education and its association with poverty, the responses surrounding microfinance’s role in diminishing the said problem elucidated the gender dimension. In the Indian context, majority of poor men and women had limited education. But speaking specifically about how microfinance provided an opportunity for women to gain numeracy Meena said

All those who did not know math have learnt it. Not many women were good at mathematics. Now they are taking loans ranging INR 40,000 – INR 50,000, they know they need to pay weekly INR 375. They understand the numbers in the loans.

The contextual layer of women’s primary role in the home as drawn out in the previous points, highlights women’s limited interaction with numbers on a day to day basis. In other words, their limited participation in the labour market, access to financial systems, impacts their fluency with numbers, especially if they are not exposed to it through formal learning (school system). But for these very women i.e. - with limited education, labour market participation and access to financial systems - the process of loan has provided a medium which requires them to achieve numeracy. In addition to basic numeracy, as cited early, Meena highlighted the direct way in which loan officers discuss the issue of gender inequalities in wage gap for the same coolie job (Section 6.2.2). Her comment indicates

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that, while formal education might not create awareness regarding the systemic nature of gender based inequalities, the informal learning that occurred in gender sensitive program broaches the topic in a direct manner.

Another interesting finding with regard to educational experiences has been the opportunity to develop life skills. One of this was interpersonal communication skills. According to Dilip, his wife does not participate in the labour market and even the loan that she has taken through microfinance was used toward the family construction business in which she was not directly involved. Nevertheless, according to him, she has had several opportunities to develop her interpersonal communication skills with people outside their kinship via the microfinance program. The group nature of the microfinance program in India meant that women had to elect leaders from with groups, who would present the overall group interest at public forums in other villages, towns and cities. Dilip, whose wife was as a leader for 11 microfinance groups (5 in each group), often had to travel and interact with various stakeholders. Commenting on his wife’s governing skills and self-confidence since becoming a leader he noted

    The political leaders in our village are saying that there is no need to pay back the loan. They are threatening my wife that they will file a case against her if she pays. But my wife is waiting to talk to the government officials. She is waiting for the chance to approach the government officials.

The interpersonal communication skills complimented by leadership skills have enabled Dilip’s wife to defend her group and their interests despite threats.
The opportunity to engage in leadership roles was reiterated by other program consumers as well. For instance, Swapna reflected upon certain restrictions imposed upon women such as her due to religion. Since becoming a sangam group leader, she made an observation regarding a shift in the norms which hitherto restricted her. She noted

Before the sangams started we never ventured out of the house even. We always stay in the house. Because I left my home to go to the hill and talk to the leader of the groups there, we were able to form a group. Because we moved the groups here, I became the leader. If the groups were not there, I would not have had this kind of power. It was good as I was able to help others get loans.

Elaborating further on identity and power, she revealed

Before the program, the people in my lane never knew me. Why would the people on the hill near the bus station or in other lanes of the village know who I am? Because I have been a leader for 14 groups, that is 70 people, I have earned a name for myself. People recognise me. Until my signature is present on an application, others cannot get a loan approved. I have to sign for all.

It is not just women who gained self-confidence as a result of being in leadership roles in the sangam who reported on the benefits of the program. Even those who considered themselves self-confident prior to joining the program, reported on the value of participation in sangams. As Shivani explained
...earlier also I was outspoken. But after joining the group, the members elected me to be a group leader and I was then also able to talk in public. I definitely got a name and identity as a sangam leader.

Gaining visibility and identity in the local community amounted to a significant change in Shivani’s life as she described it.

Visibility of the program and the program consumers in the local community lead to attitudinal shifts in what women could achieve and were able to achieve. Reflecting upon this Shilpa averred

In my street or in this village I was not able to get loan 9 years back. But now we are getting loan from sangam. In our house, in our street and in our village now people are able to say and appreciate the fact that women getting and earning money. People are able to appreciate our boldness.

This disruption of the norm that women cannot earn money, and the agency that financial return evoked, is indicative of the gendered impacts of transformative education through microfinance programs. While the learning in this example demonstrated the long term nature of the impact, male kin of program consumer, Shankar described the short term attitudinal shifts possible as a result of direct gender sensitisation component of the programs. As quoted previously in section 6.1.2, he noted the loan officers instruction to “avoid interfering in the programme” and “be happy that women are getting help” prompting him to accept the norm shift from male loan recipients to female loan recipients.

All the examples thus far have highlighted the potential for positive gendered impacts of transformative education through the program. But Urvasi remains cautious about the
potential negative consequences of women gaining numeracy, leadership and visibility. She ruminated on the potential rise in conflicts and inequalities if women become the focus of microfinance programs and noted

…it is worse and the woman cannot fend for herself.

But at the same time she reported that in her situation (of being a woman who was deserted by her husband) participating in the program was positive. She noted

I got a good name. I joined the group, made one into two...with whatever we got we made more. We got comforts. So others got to know of us.

She described the change in her life as

For instance when Indira Gandhi got back to political power, is that not a significant change? Likewise, I feel the same.

The attitudinal shift in how the local community perceives her and how she perceived herself is suggestive of the lifelong learning potential of such programs. In the Australian context, there were no examples to demonstrate the gendered lifelong learning as a result of program except in the context of domestic violence (which is explored further in section 6.6). The reason for this could be attributed to the design and practice of the program which is neutral in terms of gender positioning of the program.

6.4.3 Discussion

Program consumers in both contexts highlighted the possibility for education through microfinance programs. The responses in the Indian context revealed training related to employment and business generation, civic education, interpersonal and leadership skills, and an aspect of lifelong learning. In the Australian context, program consumers revealed life skills regarding money and attitudinal shifts regarding future aspiration. Interestingly,
interrogation of gender in the responses surrounding redressal of the problem revealed the ways in which men and women benefit differently through microfinance programs. In the Indian context, the direct targeting of women implied that women gained, numeracy, visibility and in some instances leadership roles. In their role as group members, they developed interpersonal communication skills to tackle bank officers, political leaders and other elders in the community. Program consumers reported attitudinal shifts (within and without) resulting from lifelong learning causing fractures in gendered norms regarding these issues. This had positive as well as negative consequences. On the other hand, in the Australian context, there was no reporting of gendered lifelong learning and this could be attributed to the neutral positioning of the programs. This implied that gendered norms were not recognised and as such were not or could not be tackled through the programs.

6.5 Maintaining the care economy

6.5.1 The Problematisation

There were 10 respondents who reported on the numerous ways in which the microfinance loan has supported the functioning of the care economy/non-market setting. The care economy in this case refers to the household and its functioning i.e., who is in charge, who does what and so on. The ways in which microfinance loans supported the household economy seemed evident in the Australian setting as the loans such as NILS were largely offered for the purchase of household goods (washing machine, microwave, television, computer and refrigerator). Deborah contemplates on the usefulness of such a loan to purchase a computer in her particular situation and noted
...for me as a single mum and a student, that was really good for both sides of that because even if I hadn’t been a student a new computer really would have been still good for my daughter to have.

Commenting more generally upon the usefulness of a microfinance loan she noted

...if my washing machine had broken down there is not a lot you can…

Trying to get a new washing machine or getting it fixed is really expensive these days. So I think that it is really good for students and for single parents who are really struggling.

Even in the case of program consumers without children, the items offered through NILS facilitated the smooth running of the household. For instance, Steve who was physically challenged and spent all day in a wheelchair was in need of household goods which he was unable to procure through mainstream financial products. He was able to purchase fridge, television, drier, microwave, chainsaw and air blower through a NILS loan, all of which facilitated his independent living. In addition to providing the immediate material needs such as brand new whitegoods, the loans demonstrated potential to enhance employability of the primary carers. For instance, in Janet’s case, the familiarity and confidence she gained from managing financial products with the support of the NILS financial counsellor, enhanced her ability to navigate the labour market. Similarly, in Deborah’s case, the computer, purchased through a NILS loan, enhanced her pathway to employment. In both cases, the program consumers noted that mainstream financial products and services did not assist them in their responsibility as primary carers.

Likewise in the Indian context it was clear that microfinance loans emerged as a market mechanism to provide for the non-market setting. Providing for children’s education was a
prominent need, for which program consumers were unable to find suitable mainstream financial products. But as Kalyani described, the employment created through microfinance loan, provided the means to pay for this household need. She noted

We have to pay school fees for our children. We don’t have enough money. When sirs [MFI loan officers] give us the loan we do our business. We will have some money to pay children’s school fee. We work hard and clear the loans and the debts.

Similarly, Bindu demonstrated that being poor did not abrogate a parent of his/her responsibilities. As a single parent of two children, she remarked on her responsibility for the future of her children. She explained that the UPP loan helped her purchase a buffalo, which provided a steady income through the sale of buffalo’s milk in the local village. Explaining the use of this income she noted

I used the money for food expenses. I used it for my son’s education. Even one pen costs INR 10. I am spending lot of money for his education.

But this money, in addition to other earnings from extra agricultural work that she undertook, was insufficient to cover her daughter’s future marriage expenses and therefore she decided to take on a microfinance loan for INR 6,000 so as to purchase clothes for her daughter’s marriage in the future. At the time of the interview, Bindu was paying off that loan amount on a weekly basis with the regular income she earned from her buffalo business. Juggling multiple jobs as well as taking multiple microfinance loans has facilitated Urvasi in attending to the costs of care.

Getting older children settled through marriage was a prominent theme that appeared in the program consumer responses. It was considered an essential parental responsibility and
often involved expenditure beyond available means in rural India. For instance, reflecting upon future ideas surrounding benefits of continuing participation in microfinance programs, Swapna noted

…our main goal is to run the business, raise money and repay it. If we are able to save a little bit of money then we can use it for our children’s wedding.

While this was a difficult responsibility to fulfil for a married couple experiencing poverty, the task was further challenging for sole parents experiencing poverty. For instance Deepti, a widow with primary responsibility for her daughter, revealed her concern about funding her daughter’s marriage. When questioned about the significant benefit since associating with the microfinance program, she noted the ability to fund her daughter’s marriage. She reported that the money she earned from business (established through a microfinance loan), in addition to other jobs helped her fund her daughter’s marriage. When probed further about the possibility of accomplishing this goal without a microfinance loan, she noted

I don’t know how long it [marriage] would have taken. May be very late.

Another important feature of the household responsibility in addition to the material provision, relates to the emotional aspects of care. Deborah highlights that caring responsibilities do not end and begin with providing for material needs. They also entail emotional and psychological needs which require time, and in some cases money. In her situation, being able to work from home on the computer saved her time and money on travel. The time saved she stated
I was able to be home with my daughter more as well. So that was really
good to be able to have that.

And the money saved she noted

I was able to put more on to [repaying] my credit cards. Or I could take my
daughter out for a treat.

Being time poor was an issue raised by single mother of two, Janet, who described the
benefit of purchasing a snipper mower through the NILS loan. Explaining how she was
able to save time on regular household related work she noted

It’s a beautiful mower. Absolutely beautiful mower. It’s a mulching one and
I haven’t had any problems with it. And, like, I work really hard. Not just at
work. I come home and I have got two kids, so you know. Yeah, and being
part of the community as well. So anything that can lessen my workload is
great and that mower – I have never had such a fun time mowing my lawn.
It’s done in… People are amazed how quickly I can do my lawns because –
it almost pushes itself.

The emotional aspect of care also resonated in the Indian context. Providing for the overall
wellbeing of the household members through a microfinance loan is illustrated aptly in
Urvasi’s case. Talking about her life story, this 45 year old woman recalled moving back in
with her mother 30 years ago since her husband deserted her as she was unable to bear
children. Although without children even now, she has taken upon herself the
responsibility to provide for her nephews and used the microfinance loan to benefit her
larger family. She established her tea shop with the support of her older nephew, but she
also wanted to be able to help her younger nephew. She reported
Now my nephew has a younger brother, and I don’t want him to be jobless. That’s why, I want to invest another 20,000 – 30,000 and open a small stall for him. Few days ago I went and bought the small box like stall for him. Now I need to buy the sale items from the city to stock that stall.

In Urvasi’s case, the microfinance loan appears to be a market based mechanism that has enabled her to fulfil caring role as an aunt for her nephews.

In terms of addressing the issue of time poverty, although men and women seemed to have a clear cut understanding of caring responsibilities especially for children, one of the respondents highlighted the ‘leisure’ time provided at sangam meetings. Meena stated

In addition to financial, socially also that one hour we get to spend as a group away from worries of the family life is quite beneficial to us.

Overall, the responses from program consumers in both contexts have demonstrated the ability of microfinance loans to develop, maintain and sustain the care economy.

6.5.2 Gender in the problematisation

The program consumers in both contexts made visible the gendered nature of care work and consequently the relatively higher costs of care borne by women. The microfinance program in India was targeted to women, whereas the models in Australia were targeted to both men and women equally. Nevertheless, the responses surrounding microfinance program’s ability to support the non-market setting highlighted the potential of the program to address the distinctively gendered needs. For instance, Australian program consumer Deborah makes a point that the debt women inherit from previous relationship
leaves them vulnerable especially if they are the primary caretakers of children. She believes a credit program such as microfinance could address this vulnerability and explained

I think that women actually having access to this would actually improve their situation because they would be able to take care of their kids better with having this access to better products that they can… the white goods or computer… actually improving their children’s lives in which case they could break part of the poverty cycle that they are in.

Echoing most program consumers claims that mainstream financial products are unable to support the non-market setting, Mary found that NILS loans were filling a prominent gap in gendered needs of low income parents. Recollecting her experience of divorce she commented

I know a long time ago when I left my husband and I had three children, NILS would have been fabulous… you just had to struggle. But yeah, NILS would have been a fabulous thing to be able to access.

Mary says that the NILS loans at present can also be taken for expenses related to children’s school fees and uniforms. She revealed that NILS advertisements are put up in local newspapers with a special mention of loans for school related expenses.

The loans defrayed the expenses, related to running the household and/or paying for care of children, often borne by women. As in the case of Janet who was previously in a relationship, but was not supported financially by her partner, to cover expenses pertaining to household maintenance and child care. In such a vulnerable situation, any emergency expenses had the potential to transition people in her situations and their dependents into
poverty. While the NILS could be useful in emergency situations, a more sustained and long term support could be through entrepreneurial loans. For instance, although Deborah was unaware of microfinance products in Australia which support this, she could foresee the value of such programs to address the gendered costs of care. She described the flexibility of starting a home based business venture which provided the flexibility of maintaining dependents as well as participating in the labour market.

This was precisely the case in the Indian context where all microfinance programs were geared towards entrepreneurial activity. Interestingly, since the programs here were targeted towards women, it was sensitive to their primary role in the house and hence the processes were designed around the household. For instance, most group meetings were held either in the early hours before children went to school or in the evenings, when all domestic chores for the day were completed. When questioned about women’s requirement to attend meetings and how it impacts on familial time, Shankar explained

She gets up early in the morning, finishes all the household jobs and goes to the sangam meetings, for paying the loan etc. There were no fights or anything like that in our family.

This indicates that women are re-balancing their time in order to accommodate all the activities hitherto conducted by them as well as the new ones emanating from entrepreneurial loans. But this is done in a flexible manner without impinging upon their primary responsibility as caretakers of the family.

An important finding in relation to the costs of care was men’s irresponsibility in this regard. As Suneeta reported that in her experience, men do not feel responsible for loans taken for the benefit of the household. She commented
Men do not bother to repay...do not make the effort to repay. Women make all possible efforts to repay.

Given her role as the primary carer for her children, she feels women take the responsibility of the household more seriously than men. Suneeta had graduated from the grant like UPP program (which provided her a buffalo as an asset) to a microfinance program. After stabilising her financial state through a steady buffalo business, she took a microfinance loan of INR 10,000 specifically to pay for expenses related to her daughter’s marriage. For a single parent, the microfinance product has provided a market based mechanism to facilitate her primary responsibility in the non-market, household economy. Interestingly, the processes embedded in the microfinance program enlisted men’s knowledge and implicit responsibility in clearing the loans. As Shivani explained

In this MFI loans are given to women only after obtaining the signatures from the men. Honestly speaking, the men will not be able to repay regularly as the women. Even in my home, although my husband is good with money, unless I take the responsibility to repay it will not happen.

Explaining the negotiation processes that occur between husband and wife, Kalyani supported the microfinance program focus on women and argued

What is there? Until husband’s signature is obtained they don’t sanction the loan. We are taking them to our homes only. Sirs already inform us that the loans will be given to women only. We will discuss these things in our homes. After we discuss with our husbands we come to an understanding that taking the loans provided by those people will be good for us. We also
know that we are in need of money. After we get husband’s signature then only the loan will be sanctioned to us.

This suggests that the program strategy to elicit men’s responsibility disrupts the previously held notion of men’s irresponsibility in costs of care. Kalyani concluded that

If both men and women work in the family they can clear debts. Men also feel the responsibility for clearing the debts.

According to Swapna, such a strategy of explicitly seeking men’s involvement was necessary because

...there have been cases when women were taking loans without consulting with their husbands which has led to many problems especially during repayments. Now such issues do not arise because everyone in the house knows who is taking the loan and when it has to be repaid. It is very good that they are taking gents photos. They will not get angry or feel like they are being deceived.

This suggests that the microfinance loan has become a shared responsibility for the program consumer and the spouse.

A prominent notion surrounding men’s irresponsibility emerged in relation to ‘wasteful expenditure’ on alcohol. Providing the reasons for why men are not the targets of microfinance, Lalitha explained

Like this, men will spend on drinking. They will not be able to pay back in time...they don’t have responsibility. They are spending money on drinking and gutka [chewing tobacco]. They create problem.
In the Indian context, program consumers noted that the microfinance programs dealt with the issue of wasteful expenditure through direct sensitisation to these issues. During the recruitment process, the microfinance organisations specifically discuss alcohol related concerns in order to create awareness and sensitisation to the issue among current and potential microfinance program consumers. Because of the intimate knowledge of the target group and the issues they face, microfinance programs appeared to conceptualise alcohol related addictions as a cause of poverty and hence attempted to address this more directly. The previous chapter identified that both Shilpa and Ravi reported on alcohol as wasteful expenditure that men undertook. Reflecting upon the changes in behaviour of men and women after joining the sangam, Shilpa noted

Sangam is giving us money and we are taking. When men give us then only we are paying back to the sangam. Both of us work together and then only we will be able to pay back. We cannot do that independently.

In other words, Shilpa finds that the joint responsibility of repaying the loan has acted as a deterrent to wasteful expenditure on alcohol.

Reflecting on this joint responsibility and the changes emanating from them, Roja commented

Lot of change has come. There were problems even at home. Women are going out and getting loans. Whatever they are doing, husband and wife are sharing with each other. When the wife needed money to pay back at the end of the week, husband used to provide the necessary amount with sense and responsibility. I think the relationship between husband and wife also became closer.
Echoing a similar view of mutual accountability, Dilip noted:

Both should equally share the family responsibility. When the money is with women or men it is same, madam. We work for the whole day and earn INR 100. We keep INR 20 with us we give INR 80 to the wife. We don’t keep it with us.

These examples suggest that by making both men and women jointly responsible for repayment of the loan amount, the opportunity for wasteful expenditure might have been restricted. Such similar examples did not emerge in the responses of program consumers in Australia. The reason for this could be attributed to the program design which was a one-to-one model with no requirement of joint responsibility to be guaranteed by spouse/partner.

6.5.3 Discussion

Program consumers indicated that microfinance programs were a market based mechanism to address the gendered costs of care in both contexts. The most popular microfinance program in Australia, NILS, offered loans to purchase brand new discounted white goods which attended to the material costs of care. It also supported program consumers’ time needs through products such as lawn mowers, car registrations, computers. During the interrogation of gender in the problem redressal, some program consumers discussed the potential of entrepreneurial loan for single parents who can set up home based businesses and at the same time keep up with child care. Additionally, program consumers reported that the financial agency emanating from access to the loans, especially during emergency, addressed the non-material costs of ‘irresponsibility’. In the Indian setting, the most popular loans were for establishing businesses. This required the program consumers and
their spouses to become jointly responsible for using the loan amount and repaying it. As such, even though men were ‘roaming’ it seemed that they felt responsible for repaying the loan amount and hence restricted their wasteful expenditure. Since the microfinance program processes in the Indian context were targeted to women, they were designed to cater to women’s costs of care. This had both positive and negative consequences for women at the same time, nevertheless it was able to recognise and in some instances challenge gendered norms regarding costs of care. On the other hand, the programs in the Australian context were non-targeted but nevertheless addresses the gendered material costs of care because majority of the program consumers were women. But the non-material costs related to women’s time poverty, men’s irresponsibility and wasteful expenditure were neither recognised nor challenged.

6.6 Securing personal safety

6.6.1 Gender in the problematisation

Program consumers in both contexts made a link between poverty and domestic abuse. In the Australian context, the types of abuse reported related primarily to control over finances. Whereas in the Indian setting, domestic abuse through physical violence, especially alcohol spurred instances were reported. Program consumer’s representations of tackling domestic abuse through participation in microfinance programs, in both contexts, was illuminating. For instance, Janet faced financial abuse while in a relationship with her ex-partner. She was reluctant to leave her partner of 8 years because of an uncertain financial future. She explained

I was afraid of my financial situation if I was to leave him. He kept us in a very tight financial squeeze and I was afraid that by leaving him I would
have to replace all these items. Pay all these bills. And I was actually going to be left with the brunt of the financial cost of the break-up. The counsellor helped me to make sure I wasn’t left with the brunt of it. That I was only left with half of the cost but still that was a lot.

Reflecting on how she overcome her fears, she noted

The first time I came here I told the loan officer that one of the big things that was stopping me from being able to work out how to leave was finances because he had them so distracted and that’s when she informed me about the NILS loan. Now, when I first came here I thought it was going to be a process of six to twelve months to prepare myself to leave him. Turns out my only real fear was my finances. And knowing that I had that backing, well I came for my next appointment a week later and she asked me how things are going and I told her he was gone.

According to her comments, the general counselling supplemented by financial counselling that she received from the NGO disbursing NILS, made her confident in dealing with the financial uncertainty.

Historically, the Australian microfinance program – NILS, was designed to help poor women in the community in purchasing assets or services to improve their quality of life. Mary, commented on the benefits of a NILS program to women experiencing or who have experienced domestic abuse in the past and noted

I think it gives them back more self-esteem. That they are actually doing this for themselves and for their kids. Because there are usually always kids involved.
Another program consumer, Deborah, discusses the benefit of a NILS program especially for single mothers. She commented

Because I think it is actually empowering and helping women with this particular type of loan. And if they don’t have access to money whether it be due to domestic violence that their partner is controlling that they can’t get money or they won’t be allowed to buy something. They could easily do something like this and be able to get something like, get the new washing machine or get the new fridge. So that they have actually got something to help them to keep the family going. Because they are the ones responsible for the family to be going, you know.

Deborah also made the point that persons exiting domestic violence (either men or women) often leave with nothing. A program such as NILS, she stated

…gives them something that they actually own as well. They might not have owned anything for a while. So it would be good for their self-esteem and their self-confidence at the same time.

An important barrier faced by women exiting a relationship of domestic abuse is associated with credit history. Program consumers correlate the ability to start afresh with having a positive credit history. Deborah argued that by successfully using a microfinance loan, this barrier of lack of or negative credit history could be tackled. She explained

How do you get a house? If the rental has been in his name the whole time you don’t have a rental history. You don’t have a history with paying bills you don’t have any of that stuff. So you are basically starting afresh and this is one way of actually helping them to get a good credit history as well, so.
Well it shows that they have taken the loan out and they have paid it back so that actually helps their credit history which means they would be able to get a bigger loan.

The main appeal of microfinance loans for women coming out of domestic abuse situations related to flexibility of loan amounts and loan purpose.

Mary who had knowledge about the program processes because of being a microfinance program consumer herself and later becoming an assistant to a loan officer, commented on the ways in which the NILS program was appropriated by the NGO she was working for, to support women undergoing domestic abuse. She explained that there are rules and policies regarding the types of items that can be approved for purchase under a NILS program. Nonetheless, since her organisation targets victims of domestic violence, the loan amounts are larger (up to AUD 2,000 as opposed to the regular AUD 1,200). Justifying such flexible options, she noted

Some of them have been lucky enough, or for want of a better word, to be able to get some of their belongings out and put them in storage but a lot of them just have to start afresh...We had one that came in that we weren’t sure what to do with in the beginning but we managed to get around that. And that was a woman who had left a domestic violence situation. She had managed to get furniture into storage. Found somewhere to live. But then couldn’t – didn’t have the money to get the things out of storage. And some agencies wouldn’t touch that but we did because we felt that was an important thing to do.
In this instance, paying for storage fees does not appear in the list of approved items for a NILS loan. But given the organisational leaning towards a particular group of people, it was possible. Mary highlights the need to be open and creative in helping them as she states emphatically

Well, she can’t get on with her life without... her stuff.

Not all microfinance programs addressed this issue directly, as Mary explained

There’s another agency in town that will only let you buy one item.

Deborah also highlighted the uniqueness of microfinance loan as compared to charities or other agencies. She explained

...they don’t know where they are going to get stuff from because when you go to the local charities they don’t always have the sort of things that you need. You might be able to get bits and pieces but you might not be able to get a bed. Or you might be only just able to get a mattress. And if you have got four kids sleeping on one mattress that’s not going to work.

These particular examples from Mary and Deborah indicate that by targeting a particular group i.e., women and men exiting relationships involving domestic violence, the microfinance products and policies can be adjusted to meet a specific need.

In the Indian context, references to domestic abuse emerged when issues pertaining to alcohol and men’s irresponsibility towards costs of care appeared. Program consumers explained that the procedure for recruitment into the microfinance program included a component of alcohol sensitisation. Consumers noted that loan officers often raised the concerns about alcoholism and how it impacts on people’s wellbeing. Similarly, the joint responsibility of husband and wife for making repayments led Roja to conclude that the
relationship between husband and wife had become ‘closer’ and Ravi to declare that accountability and responsibility on men’s part has increased. The previous chapter highlighted that gendered domestic abuse was a function of women’s vulnerable position in society. Because of targeted microfinance programs, some program consumers felt that the status quo of women was shifting. For instance, Keertana a 50 year old unmarried woman observed the way in which women’s status has evolved from not having any access to money, to a situation wherein men were asking women for money. She believes this change is risky, and might not always bear positive results. She explained

Women are earning. But some men are creating problems by drinking. If the husband is good things will be in good condition.

Urvasi, also a mature aged program consumer noted the potential increase in conflicts between men and women, due to gender targeted program. Nevertheless, she likens the personal positive change she has experienced to political power wielded by a former Indian prime minister – Indira Gandhi. This is an interesting analogy, especially in her case since she experienced the emotional abuse of being abandoned by her husband.

6.6.2 Discussion

Program consumers made an association between domestic abuse and microfinance. In the Australian context, the NILS program was reported as redressing the material dimensions of abuse through flexible loan amounts and loan conditions and potential pathway to creating positive credit records. Additionally, program consumers noted that financial literacy and planning for financial future as part of counselling provided by the loan officers helped them address the non-material dimensions of domestic abuse – low self-worth and hopelessness. In the Indian context, the loan amount met the immediate material dimensions of domestic abuse, food security. Program consumers reported that the
counselling and alcohol sensitisation that is part of recruitment process provided a forum to openly discuss issues of abuse. This in turn provided positive affirmation to some program consumers to address the non-material dimensions of abuse – loss of face and self-confidence. And for others, it exacerbated their experience of abuse. Nevertheless in both contexts, because women formed a majority of program clientele, the programs were able to address the vulnerable standing of women in society so as to cause shift in their status quo.

6.7 Conclusion

The purpose of this chapter was to explore consumer representations of what microfinance ‘does’ in relation to the problems raised in the previous chapter. That is, this chapter has explored consumer representations of how microfinance attends to gendered poverty. Program consumers in both contexts discussed numerous ways in which microfinance addressed inequalities based on gender, but the redressal was neither complete nor universal. In some cases, microfinance overlooked or entrenched inequalities based on gender. For example, in the Indian context the microfinance programs appeared to operate in collusion with extant labour market expectations of men’s primary participation and women’s secondary participation, but at the same time, it provided new and innovative employment opportunities which did not exist before. Likewise, in the Australian context, because the programs were located in the sphere of community service, it was often women who accessed the program on the basis of their position as responsible for family care. Nevertheless, the programs provided a market based mechanism to maintenance of the care economy. The next chapter will explore these findings in detail to draw out the gendered norms operating in both societies and the way in which microfinance programs are able to ignore, interrupt or disrupt these norms.
Chapter 7: Microfinance practices in India and Australia: Entrenching or disrupting gender norms?

By opening up the informational space and comparing problematisations, the study has facilitated alternative understandings of gender inequalities in the policy and practices of microfinance in India and Australia. Chapters 5 and 6 provide a systematic account of how microfinance was represented by the consumers, focusing on the six key dimensions that emerged as significant to them in both contexts. The dimensions were also interrogated to see how, and if, gender was represented as salient to these dimensions. The chapter brings together this information to develop findings on the gendered norms at stake in the two social spaces of microfinance – India and Australia. Specifically, the chapter will explore the extent to which microfinance programs are represented by consumers as reproducing, destabilising, fracturing or keeping silent on gendered norms. The capability approach with a focus on freedoms and opportunities opened up the informational space and shaped the analysis presented in this chapter. Some of the quotations used in previous chapters are repeated in this chapter in order to illustrate points made in the gender norm analysis provided.

7.1 Accessing finance

From the consumers’ perspectives, access to finance was more than access to credit. While microfinance programs were represented as providing a solid alternative to mainstream financial services for particular groups of people, the opportunity to access finance produced new subject positions and was represented as marshalling notions of dignity, freedom, confidence and financial agency for particular (often marginalised) groups of
people. The design of the programs in terms of the loan process, loan use and loan subjects, played a significant role in how the program consumers represented the non-economic dimensions of access to finance. For instance, Thomas discussed the non-judgemental nature of the program design, which allowed a low-income welfare recipient such as himself, to acquire a loan for the purchase of a non-essential item such as a television. He explained

Well, by giving the loan I got myself a new TV, a brand new one. Now, I'm able to turn it on, turn it off whenever I want to. That’s the freedom that I got. And once that’s paid off, I'm going to think about another item, because that’s the way it’s going to be.

Evidently, access to the loan was a means to an end for Thomas. For him, the end was represented as being able to purchase whatever he wanted without being judged for it. Perhaps then, in Thomas’s example, a partial explanation of the cause of the problem was lack of access to credit, and a more complete explanation would include the opportunity to access credit for reasons he found valuable. Similarly, Shankar described the group lending model of microfinance loans in India. He explained

Some people are not bold enough to take loan because they have their doubts … In such situations there are five in a group. The other four women suggest to her that they will help her in clearing the loan and she need not worry about that. Like that they created opportunity for people who are in need.
Here Shankar’s comment highlights that the design of program has produced notions of boldness, confidence and a sense of agency among particular groups of people, in addition to meeting the material needs of accessing finance.

The analytical strategy of accessing gender in the problem representations has highlighted the significant gendered norms that inform these particular problem representations. The particular ‘problem’ that men and women discussed in relation to accessing finance revolved around the gendered norm that men controlled finances. This theme is significant and has been highlighted by feminist theorists who contend that gendered control over resources such as credit, income and other assets significantly affect the relations of cooperation and conflict between men and women (Ackerly, 1995; Cornwall, 2007; Kabeer, 2009; Garikipati, 2008; Goetz & Gupta, 1994; Leach & Sitaram, 2002; Montogomery et al., 1996). Program consumers reported that men controlled finances because of their familiarity and experience with financial services in their role as ‘providers’. According to them, women on the other hand, exercised limited control due to their confinement to private spaces of care work and household maintenance. In discussing how microfinance addressed this problem, program consumers in India observed that the design of program, which intentionally targeted women, provided an opportunity to reconfigure this norm of ‘men controlling finances’. But the extent of this re-configuration was contingent upon men’s openness to women’s new role. The microfinance recruitment process sought the knowledge, consultation and commitment of the male kin of female program consumers. For instance, Kalyani explained:

Until husband’s signature is obtained they don’t sanction the loan. We are taking them [the loans] to our homes only...after we discuss with our
husbands we come to an understanding that taking the loans provided by those people will be good for us. We also know that we are in need of money…Men also feel the responsibility for clearing the debts. Women are bringing money and both are paying back regularly.

The implication of this norm reconfiguration was that rural poor women who were hitherto confined to private spaces as ‘home makers’ with limited financial exposure, were now offered a new subject position – microfinance group members – which extended and expanded their interactions in public as well as financial spaces. In other words, women - with the permission of their husbands - could now be in charge of finances in ways they were not before. Nevertheless their role as primary carers remained unchanged.

The programs in Australia were not explicitly gender targeted. Nevertheless, the location of services and the use of loans (primarily for household maintenance) inadvertently targeted women. As such, while women were directly accessing and ‘controlling’ the finances, they were doing so from their position as primary carers to meeting carer needs. In other words, the design of programs did not recognise gender as construct of unequal power relations, but rather as one of disparate needs. Therefore, the gendered need of household maintenance by women was met, but the norm underpinning this need, i.e., the gender norm of women’s responsibility for the private sphere, remained intact in its configuration. For instance, Janet observed that

...men’s and women’s needs are sort of different. Men’s – and no offence to them – they have got to look after themselves a certain way to be a man for a family, you know. But women, you know, they need to look out for everyone.
Janet’s comment indicates that meeting gendered needs is not the same as recognising and addressing unequal gendered power relations.

7.2 Accessing market work and business opportunities

Consumers in both contexts revealed that participation in microfinance programs provided more than market work and business opportunities. It provided the freedom to negotiate the erratic labour market and create new employment opportunities which did not exist previously. This was a clear outcome of the loans provided in India, which were geared primarily for investment in income generation activities. For instance, Padma a single mother, who was previously undertaking seasonal agricultural work, was able to negotiate the unpredictable labour market since joining the microfinance program. She invested the loan to establish a convenience shop in front of her parents’ home in a remote village. The advantage of owning the sole convenience shop in the locality afforded her a steady and consistent stream of customers and a regular income. Similarly, the male kin of female program consumers such as Kamal, Dilip, Suriya and Ravi established small scale business ventures through microfinance loans acquired by their wives, and as a result were able to negotiate the unpredictability of extant labour market.

The loans offered in Australia provided a similar, but latent freedom to negotiate the labour market. For instance, Janet observed the potential pathway to employment through a NILS loans and commented

This would be great for the unemployed if they don’t have a car as well.

They can get a car and go out looking for work.
Deborah also made a similar observation highlighting the potential of investing a NILS loan in educational training to enhance labour market opportunities. However, in Australia the design of programs was primarily for purchasing goods and accumulating assets, rather than to directly participate in the labour market or develop business opportunities. Nevertheless, the examples in both contexts clarified that the problem microfinance addressed related to accessing market work and providing an opportunity or latent opportunity to negotiate the labour market in new and innovative ways.

While seeking gender in the problematisations, the data revealed that microfinance programs, through their design, could potentially impact the underlying gendered norms prevalent in both societies. The ‘problem’ that men and women discussed with regard to accessing market work was associated with norms surrounding the gendered division of labour. This theme resonates with the longstanding and robust literature in feminist theory interrogating women’s paid work and its impact on gender inequalities (Fraser, 2003; Hartstock, 1987; Johnson, 2005; Mies, 1982; Moser, 1989; Pearson, 2004; Ridgeway & Correll, 2004; Sen, 1990). Program consumers in both contexts reported that women in their primary role as carers were unable to fully participate in the labour market. There was a unique challenge that woman faced, that is, to negotiate care work with market work. On the other hand, men in the primary role as providers were expected to fully participate in the labour market with minimal to no conditions on their contribution to care work and household maintenance.

In discussing how the design of microfinance programs was able to address this problem, program consumers in India noted a redefinition of gender roles in certain instances and a
reinforcement of these very roles in other instances. That is, the design of program recognised men as important ‘economic subjects’ with greater potential to maximise their participation in the labour market through a higher earning capacity vis-à-vis women. As Bindu explained

> Men can work anywhere. They can get INR 250 per day. What will a woman get? When we go to work, we get only INR 50 per day. We both do the same work but we get lesser pay….

In India, the program factored into its design the prevailing gendered division of labour operating in the society, and explicitly sought men’s commitment in assisting women to access, invest and repay microfinance loans. Clearly, women were recognised as ‘economic subjects’, albeit secondary economic subjects, because the loan amount although provided to them, was often invested individually or jointly, in informal and home based work. In situations where women were widowed and had no male kin to depend on, the loan provided an opportunity to take on the primary ‘economic subject’ position. Participation in the labour market and in group based activities of the sangam meant that women who were previously largely confined to private spaces, were now entering public spaces, although on a temporary basis.

The design of microfinance in India also repositioned women as ‘gatekeepers’ for men to engage in the labour market. This was a disruption of the norm surrounding the gendered division of labour wherein men were traditionally considered the breadwinners. In a context of limited labour market opportunities, men’s self-employment was possible through the capital that women accessed as microfinance loans. But the norm of women’s unpaid care work remained intact since the design of programs revolved around women’s
‘time constraints’. For instance, the majority of loans were invested in informal work such as rearing livestock or home based convenience stores, as this provided women the flexibility to continue their care and household maintenance work. Kamal, whose wife is a microfinance program consumer, explained the continuity and disruption of the gendered division of labour thus

She [his wife] stays at home. She does the cooking, washes clothes... One by one we take turns in maintaining the shop. When I take buffaloes and oxen to the fields, my wife will sit in the shop.

Thus, the design of program recognised the gendered norms operating in the particular context and appropriated the norms, but only in some cases with transformatory potential.

In stark contrast, as discussed above, the design of program in Australia was represented as gender neutral and attended to the program consumers consumption needs (for example purchase of whitegoods). Interestingly, because the loans were invested in items necessary for the maintenance of the household, the design of programs facilitated care work. The significance of the loan to meet particular gendered needs was explained by Deborah thus

Because I think it is actually empowering and helping women with this particular type of loan. … They could easily do something like this and be able to get something like, get the new washing machine or get the new fridge. So that they have actually got something to help them to keep the family going. Because they are the ones responsible for the family to be going, you know.

While the programs were targeted to both men and women, the nature of the items approved for purchase through the loans attended primarily to household maintenance
which was undertaken largely by women. Thus, the design of programs through the loan process, loan use and loan subjects attended to particular gendered needs without impacting on gendered norms producing those needs. In other words, the design of programs did not provide new subject positions for women as ‘providers’. Although they might have indirectly enabled access to market work, this was not a direct outcome of the loans. Therefore, the design was silent with regard to the prevailing gendered norm and did not provide an opportunity to critique gendered division of labour.

7.3 Expanding formal and informal support networks

From the data, it is clear that participation in microfinance programs provided a variety of support networks to program consumers. The instrumental value of support networks was evident. That is, the design of programs in India required a collective such as sangam to distribute loans, and attend to the tangible, material needs of the program consumers. Similarly, the design of programs in Australia provided an institutional, one-on-one support network, also as a channel to distribute loans and attend to material needs. Interestingly, the data also revealed intrinsic value offered by such formal and informal support networks through notions of trust, good will, belonging, and participation in community life. For instance, Urvasi explained her experience of poverty as a function of isolation. When abandoned by her husband because of her inability to bear children, she noted

I had nobody, I was poor.

Similarly, Thomas and Janet made the case that limited family and community support networks could negatively affect a person’s coping skills and mental wellbeing.
Microfinance programs provided an *opportunity* for alternative ties (formal and/or informal), when weak or no ties existed. For instance, Thomas explained that the program enhanced his ability to garner goodwill and participate in the life of the community in a way that he found valuable. He observed

I'm physically going into the bank and then depositing my money because I prefer to do it that way. I like talking. I love people talking. Just to say “Hello, how are you?” Lovely day outside.”… I think they [MFI staff] are good people because I think they trust me and I'm there. I'm never late for my appointments. I'm always on time for my appointments. And also when…You know, they treat me good, I treat them good.

Similarly, Dilip discussed the notion of trust emanating from group participation and commented

When we were in sangam we used to feel that we are depending on our parents. We used to have that much of confidence in the sangam.

These alternative ties attended to emotional and informational needs, in addition to material ones.

The analytical strategy of seeking out gender within this dimension of the problem that microfinance sought to address, highlighted the gendered norms impacting social ties in both societies. The ‘problem’ that men and women discussed in relation to limited support networks was associated with ideas about masculinity and femininity, such as men are autonomous, self-maximising individuals, and women are more relational, caring and cooperative. This theme of gendered social networks appears in feminist social policy analyses as well which have highlighted that men and women who fail to conform to
gendered expectations of their roles could endanger their networks of support (Agarwal, 2010; Fraser, 1990; Healey, Haynes & Hampshire, 2007; Mayoux, 2001; Molyneux, 2002; Rankin, 2008; Vera-Sanso, 2008). For instance, theorising this notion in the field of masculinities research, R. W. Connell argues that “relationships are constructed through practices that exclude and include, that intimidate and exploit, and so on. There is a gender politics within masculinity” (1995, p. 37). Program consumers in both contexts reported being held accountable to their roles by extension or contraction of support networks. For instance, when questioned about the household type, Urvasi explained

I do not have a husband…Because I did not have children, my husband left me. Since then I have been living at my mother’s place.

Since she did not meet the expectation of her feminine role, that is, to bear children, she lost the support of her husband. Likewise, in Martin’s case, since he was not a primary ‘economic subject’ (participating in the labour market) but was rather a ‘welfare subject’ (receiving government income support), he did/could not meet the expectation of his masculine role.

He noted

I have always believed it’s a little easier for a woman to hook up with a man and it’s a little bit easier, but if you are a man, and you have nothing, it’s very hard to find a woman that’s going to love you, like this, there’s no capital behind you.

Clearly, the gendered norms operating in the larger context in which he lived constrained his options to establish particular support networks such as romantic relations.
In discussing how microfinance addressed this problem, program consumers in the Indian context reported that the design of programs which intentionally targeted women and operated through a group model, provided an instant community of potential support networks, in some cases with the possibility to undermine the gendered expectations. That is, the design provided new and alternative ties to those women who were governed by unequal and disadvantageous gendered norms. For instance, while Urvasi’s support networks based on kinship and residence dissipated because of non-conformance to gendered role expectations, she was nevertheless able to garner new forms of non-kin, formal support networks through the UPP program. The group format provided her the necessary material resources to start a business, buffalo rearing. Additionally, it also provided her an opportunity to be ‘fearless’. Her explanation of the potential negative repercussions of joining the group, signifies the association between gender and social ties. She reflected

I think inequalities will arise. Men will say, these women have nothing better to do hence they are joining sangams. What do men know? Those who don’t care and are fearless will continue but there are others who will think I don’t want to bother and not join.

Even those women who reported conforming to gendered expectations of their roles commented on the benefits of new non-kin networks. Meena explained

...that one hour we get to spend as a group away from worries of the family life is quite beneficial to us. Not just one person, there are approximately fifteen groups around here. When so many people gather, each one’s problems would come out.
The alternative social ties have at times offered new roles, and at other times made women’s roles more fluid, since now they can be providers and group members/leaders in addition to being primary carers. As such, the design of the programs in India challenged and in some instances disrupted rigid expectations of men’s and women’s roles.

In contrast, the program consumers in Australia reported that the design of program targeted both men and women. Nevertheless, because of the loan use and location of services, it was primarily women who accessed formal support though microfinance. The reason women were more attuned to such services vis-à-vis men, was attributed to their gendered trait of community mindedness. As Mary explained

I think women are more likely to get out there and hear about these things. Maybe because they are more community minded. Women talk a lot more with other people. My brother in Melbourne had never heard of NILS and yet there are stacks of them down in Melbourne.

While Mary’s comment could provide a partial explanation of why women are more attuned to these forms of support, another explanation could be that gender norms dictate the types of networks men and women constitute. Because of limited work opportunities, restricted mobility and caring responsibilities, women are more likely to seek out localised community support services than men. Therefore, microfinance programs in Australia, meet a larger portion of women’s need for support networks than men’s, because of their location in community service organisations. However, the design of program as gender neutral does not actively engage these norms leaving gendered expectations of men’s and women’s roles unrecognised and undisturbed.
7.4 Accessing educational experiences

The data revealed a straightforward connection between microfinance programs and education. But education was more than literacy, numeracy, business skills and financial training. While these traditional descriptions of education were part of the program processes and outcomes, the *freedom* to access education and achieve these outcomes incorporated lifelong learning, agency, future aspirations and attitudinal shifts. Discussing opportunities for informal learning, single mother Padma explained her initial reluctance to join the UPP programs, but after learning about the financial options for women such as herself, she joined the program and reported on her communication skills. She explained

> We never knew how to talk to people like you. We were afraid and we kept quiet. As and when the volunteers [microfinance staff] would come and talk to us, we opened up gradually. Like I am able to talk to you now, earlier I could not do so.

Clearly, education was valued not just for *instrumental* purposes such as enhancing financial or employment pathways, but also for *intrinsic* purposes, that is towards transformative ends. Similarly, discussing an attitudinal shift in self-perception, Martin reflected on the matched savings loan design and commented

> ...gives me encouragement, to try to save a little bit harder, and it has made me think about money, to help like it goes so quick, I need to focus more on trying to leave it in the bank, instead of buying things that are really unnecessary...Sometimes it’s nice to buy little things that make you feel good, that you’re not in a gutter, you’re not down and out, you're not homeless…I’m starting to make me think ahead, I’m thinking $2000, well, I
can go on a nice cruise, $1200, I have $800 spending money, you know what I mean like, if I wanted to?

In Martin’s case, the new attitude towards money has caused a shift in how he perceived money, his self-worth and possibilities for the future, even if in a temporary and limited way. It is the freedom to be able to do this, whether he actually achieved this or not, which is indicative of non-material, intangible and intrinsic ends afforded by program.

Once again, the analytical strategy of seeking out gender, in the representations of the problem that microfinance sought to address, was applied. The ‘problem’ surrounding lack of education was discussed in broad terms with seemingly no gendered assumptions attached to it. Nevertheless, in discussing how microfinance addressed this broad problem, program consumers revealed the gendered norms operating in society and the extent to which these norms were contested, undermined, disrupted or remained untouched, overlooked, entrenched. As discussed in the previous sections, the gendered norms in the India context which required women to spend more time in private spaces in their primary role as carers implied that women had limited access to financial systems and market work. Therefore, they were not exposed to numeracy and literacy on a day to day basis as compared to men. But the design of program which targeted these particular groups of women with limited educational background offered an opportunity to gain literacy and numeracy skills. As Meena explained

All those who did not know math have learnt it. Not many women were good at mathematics. Now they are taking loans ranging INR 40,000 – INR 50,000, they know they need to pay weekly INR 375. They understand the numbers in the loans.
But it was more than the “numbers in the loans” that program consumers attributed to education via microfinance. Discussing the issues of unequal wage gap, Meena observed that the loan process during recruitment and orientation of new members provided an opportunity for the loan officers to directly tackle issues emanating from unequal gendered norms. She elaborated

Now in the sangams what they have told us is that, whether men do a coolie job or women do a coolie job, both have to demand equal pay. This generation even though they are not well educated, they have realised in their minds that they are no less than men. So inequalities are gone. And this is mainly due to sangams.

As such, the gender sensitive nature of the program has been represented as creating conscientious education (Freire, 1985). In other words, the design of programs was providing an avenue for program consumers to deal with their reality in a critical manner and reflect on alternatives to bring about change.

This theme of gendered educational experiences and its association to gender ideology has been a staple of feminist analyses of gender relations (Kabeer, 2005; Niranjana, 2002; Nussbaum, 2000; Rankin, 2002; P. Sen, 1999). For instance, Kane (1995) and Stromquist (1990) argue that education (both formal and informal) has the potential to shape dominant and subordinate groups’ understanding of gender inequality. This was particularly evident in the Indian context, where in the design of programs provided an opportunity to challenge gendered norms of women’s fixed roles. That is, from being confined to private spaces in the primary role as carers, women could negotiate their presence in public spaces as ‘group members’. In some instances, the opportunity to become group leaders made
visible women’s presence in decision making roles with significant demonstrative effect, indicating their worth and effectiveness to men and other women within the household and community. This is best described by Swapna whose religious affiliations severely restricted her mobility. She noted

Before the sangams started we never ventured out of the house even. We always stay in the house…Because we moved the groups here [closer to her home], I became the leader. If the groups were not there, I would not have had this kind of power…Before the program, the people in my lane never knew me. Why would the people on the hill near the bus station or in other lanes of the village know who I am? Because I have been a leader for 14 groups, that is 70 people, I have earned a name for myself. People recognise me. Until my signature is present on an application, others cannot get a loan approved. I have to sign for all.

At the same time, the disruption of norms cannot be regarded as total since it evoked dismissive responses, such as, ‘What do women know?’, ‘How can they [women] pay without man?’ as observed by Suma and Ravi respectively. Therefore, the design of programs through targeting, training and group participation, provided a critical space from which to contest gendered norms, albeit not in a uniform and universal manner. In the Australian context, the ‘problem’ and ‘solution’ that microfinance addressed with regard to limited education was represented as one of disparate needs. That is, both men and women needed training on budgeting and saving. There was no room in the design of programs to recognise, raise and contest the gendered norms constituting the gendered needs.
7.5 Maintaining the care economy

The data established a tight linking between microfinance programs and the care economy. In other words, microfinance program consumers reported that design of programs recognised care work and in most cases supported the costs associated with such work. A rudimentary appraisal of costs of care included expenses related to running the household (for example broken down white goods) and maintaining children (for example, school fees). For instance, Deborah acknowledged the NILS loans providing for household maintenance and commented

...if my washing machine had broken down there is not a lot you can…

Trying to get a new washing machine or getting it fixed is really expensive these days. So I think that it is really good for students and for single parents who are really struggling.

Likewise, Kalyani commented on the usefulness of the programs in India to pay for expenses related to children. She observed

We have to pay school fees for our children. We don’t have enough money.

When sirs [MFI loan officers] give us the loan we do our business. We will have some money to pay children’s school fee. We work hard and clear the loans and the debts.

Additionally, the program consumers also discussed the non-material costs associated with care work such as time. For instance, in the Indian context, the design of program which involved ‘door step banking’ ensured that women were able to participate in the program without having to travel long distances from their home, thereby, causing minimal disruptions to their care work. Similarly, the majority of the income generating activities in
which the loan amount was invested was informal and home based such as convenience
stores, rearing livestock, tailoring. Therefore, those with primary responsibility for care
and household maintenance were able to negotiate time spent on market and care related
work. In the Australian context, Deborah explained that the time saved by having a
computer (purchase through a microfinance loan) at home versus travelling long distance
to use a university computer, allowed her to spend more quality time with her daughter and
the money saved on travel afforded her “treats” with her daughter. Time poverty was an
issue often faced by those with primary caring responsibilities and the design of program
through loan process, loan use and loan subjects provided an *opportunity* to address it.

The analysis of gender in the problem representations provided clear illustrations of the
gendered norms operating in both societies. The ‘problem’ that men and women discussed
in relation to maintaining care work hinged on fixed expectations of gender roles. This
theme has been extensively discussed and critiqued by feminist scholars, in particular, the
relationship between intra-household dynamics, constrained choices and gender
inequalities. Feminists have frequently scrutinised the assumption that resources and
incomes are shared equally within households (Bowman, Bodsworth & Sinn, 2013; Cass &
Brennan, 2003; Crompton, 2007; Elson, 1999b; Folber, 1994; Grace, 2006; Jennings &
Waller, 1990; Lewis & Plomien, 2009; Lister, 2003; Mayoux, 2010). Additionally,
anecdotes and empirical evidence of women bearing the double burden of care work and
market work is a dominant narrative in feminist studies (Bitmann & Pixley, 1997; England
& Farkas, 1986; Hill, 2009). Program consumers in both contexts reported that the primary
responsibility for care and household maintenance rested with the woman. As Martin, a
single man with no caring responsibilities explained
Well, kids are not cheap, are they? Kids are not cheap, you know that. So, I would probably say, single mothers with kids would find it more difficult than a single bloke…

In addition to the material costs of care, women had to bear the non-material costs, such as restricted time to participate fully in the labour market, and ‘hyper responsibility’. For instance, Janet explained

...basically my money…I would get paid by Centrelink or work, whichever at the time. And I would use that money to pay the entire rent, buy all the food, if we needed cigarettes, because I smoke. And then he would get paid and he would say “Okay, well this week I want a slab of bourbon and I’m going to give half of it to my friends”.

Janet’s comment indicated that men, based on their role as providers, operated with a sense of entitlement to their finances, whereas women, based on their role as primary carers, were ‘hyper responsible’ for the care economy. This gendered norm appeared in the Indian context as well, particularly in discussions surrounding ‘wasteful expenditure’ on alcohol.

As Ravi explained

When men take INR 10,000 as loan they will not use the money in a proper way, they spend the money on drinking toddy or other beverages. And they will say, “I will not return the money, you can do whatever you want”. Like that they will challenge also. But if you give INR 10,000 to women they will request the sirs [loan officers] and they will work hard and pay the amount. In all the banks also they are giving loans to women only. They don’t waste the money.
Undoubtedly, the gender norms operating in the broader society have normalised men’s irresponsibility vis-à-vis women’s hyper responsibility to such an extent that mainstream financial institutions such as banks and the MFIs have taken this into account as normal gendered traits/attributes when targeting women.

In discussing how microfinance programs addressed this problem, program consumers in India noted that the design of program which directly targeted women with the knowledge, consent and commitment of their male kin, was capable of mobilising notions of joint responsibility. As Kalyani observed

> Until husband’s signature is obtained they don’t sanction the loan…men also feel responsibility for clearing the debts.

Supporting the notion of joint responsibility espoused by program design, Roja observed

> Women are going out and getting loans. Whatever they are doing, husband and wife are sharing with each other. When the wife needed money to pay back at the end of the week, husband used to provide the necessary amount with sense and responsibility.

Clearly, the program design seeking men’s joint-responsibility for the loan has disrupted the previously held norm of men’s irresponsibility for the costs of care. In addition, it has also contested the norm that only men are providers, since now women are able to negotiate market and non-market work, and therefore potentially become providers in ways they did not before. It does not, however, disrupt the norm of women’s responsibility for care work. While the design of program in Australia did not explicitly target women, as discussed above due to the location of services and the use of loan (for household white goods) there was an implicit targeting of women. The potential of the programs to meet
gendered costs of care are immediately clear. But that is where the program’s potential is stalled at meeting gendered needs rather than recognising the unequal gendered relations which produce these gendered needs. In other words, the program design does not contest the nature of men’s irresponsibility or women’s hyper responsibility to maintain the care economy.

7.6 Securing personal safety

The data revealed that the opportunity to participate in microfinance programs provided the freedom to secure personal safety. According to program consumers, another ‘problem’ that microfinance addressed is associated with particular forms of gendered domination and subordination. Domestic abuse in varied forms - physical, emotional, psychological and financial abuse – was discussed by program consumers. For instance, Janet reported that the extent of coercive control exhibited by her ex-husband not only kept her distracted from present finance but also constricted her future financial options through potential employment. She explained

He made it look as though I was in charge but there was never any money for me to do anything with.... distracted me to keep me away and I didn’t know it was happening...I had a few jobs within the relationship but my partner was very...had an issue with me working so he sort of made sure I lost every job I had.

In the Indian context, discussion surrounding domestic abuse emerged in relation to notions of men’s ‘wasteful expenditure’ on alcohol. For instance, Lalitha explained

Men earn but they spend money on drinking. They waste their earnings. They put the family in shame. Men will drink, come home and beat wives.
This comment reveals that in addition to enduring physical abuse, there is the social stigma and loss of face that women have to endure.

The gendered nature of this problem hinged on the unequal and vulnerable status of women vis-à-vis men in the society. Thomas reflected on the gendered nature of abuse when providing his opinion on an incident of domestic violence reported on the radio. He observed

> Like this morning somebody got stabbed for some domestic thing…

> Because by wording out things to a man and he didn’t like it coming from a woman he’s going to get angry. And that’s what he did. He turned around and stabbed her eight times. That was on the radio this morning

Reflecting further on how this could be remedied, he explained

> ..but you know I think men they should share the circumstances that they're in and what income that they've got they got to be able to cope and utilise that to the best of their ability. To pay for the roof over their head, the electricity, the gas and whatever, and the food.

Clearly, these comments indicate a power differential at play in the interpersonal relationship between men and women, in most cases disadvantaging women. This theme of gendered domestic abuse has been rigorously theorised by feminist scholars who claim that domestic violence is a strategy in the positioning of vulnerable groups such as poor women, into subordinate bargaining positions (Agarwal, 1997; Agarwal & Panda, 2007; Dobash & Dobash, 1992; Evans, 2007; Landvogt, 2013; Macdonald, 2012; Orloff, 1993; Vonderlack-Navarro, 2010). Reiterating the vulnerable position of women in situations of conflict, Urvasi commented
Men and women have different points of view which causes conflicts. So for the poor when they have conflicts, it is worse and the woman cannot fend for herself.

The lack of ability to ‘fend’ for self implies that women are in a position of unequal status quo arising out of their lack of employment, wealth, assets, social networks and limited education.

In discussing how the microfinance programs addressed this problem, program consumers noted the opportunity afforded by the design of programs to form and maintain autonomous households. For instance, Janet discussed an increase in confidence over her financial future if she decided to exit an abusive relationship. She reported

I was afraid of my financial situation if I was to leave him. He kept us in a very tight financial squeeze and I was afraid that by leaving him I would have to replace all these items. Pay all these bills. And I was actually going to be left with the brunt of the financial cost of the break-up…The first time I came here I told the loan officer that one of the big things that was stopping me from being able to work out how to leave was finances because he had them so distracted and that’s when she informed me about the NILS loan. Now, when I first came here I thought it was going to be a process of six to twelve months to prepare myself to leave him. Turns out my only real fear was my finances. And knowing that I had that backing, well I came for my next appointment a week later and she asked me how things are going and I told her he was gone.

---

27 This concept was developed by Ann Orloff. She contends that those who undertake a majority of domestic and care work (predominantly women) should be able to survive and support their children without having to marry to access the breadwinner’s income. In other words, women’s ability to form and maintain autonomous households demonstrates “women's freedom from compulsion to enter or stay in marriages in order to obtain economic support” (1993, p. 323).
Deborah also commented on the value of the program for to assist with establishing and maintaining an autonomous household. She reported

…if they don’t have access to money whether it be due to domestic violence that their partner is controlling that they can’t get money or they won’t be allowed to buy something. They could easily do something like this…get the new washing machine or get the new fridge. So that they have actually got something to help them to keep the family going. Because they are the ones responsible for the family to be going, you know.

It is clear that the program, through its location, providers and loan use (for household maintenance) is able to meet particular gendered needs.

In the Indian context, the design of programs also recognised gendered needs arising out of particular forms of abuse. For instance, in the case of Urvasi, who was experiencing emotional abuse as a result of abandonment by her husband, the UPP program provided her an opportunity to establish independent living. But in addition to recognising and addressing gendered needs, the design of program recognised the gendered norms underpinning these gendered needs and intentionally sought to address them. For instance, Shilpa explained that group meetings provided a space for discussion and interaction on issues related to unequal power status between men and women. She observed

In the mandal meeting we heard some experiences…Man is taking loans from the bank and where is he going? He is going to beer shop. While coming home he will buy 1 kg of chicken and bring it home. He will shout at his wife and ask her to serve him the curry. He will ask for more curry.
Children will be there. What can she serve for children? Then nothing will be left for her.

Similarly, as discussed previously in section 7.4, ‘Accessing Educational Experiences’, the group model provided a critical space for program consumers to reflect upon issues of women’s unequal status and men’s alcohol use and violence. While the design of program recognised the norms and provided spaces for contestations, it was clear that, they were unable to transform them completely. For instance, Meena reported

In my house, if I am late, my husband reminds me that it’s time for my meeting…Because he knows about it he encourages me to attend. If he did not know, do you think he would let me attend weekly meetings?

Her comment about her husband’s support in participating in the sangam highlights men’s continued dominance and control over women’s activities, albeit in subtle ways. Nevertheless, it become clear that the design of program recognised the underlying norms affecting women’s unequal status and provided spaces for contestation, more successfully in some cases than others.

7.7 Conclusion

The findings outlined above offer useful points of contrast and continuity in the design, problem and solution representations of gender inequalities in microfinance. Looking at the various dimensions of the gendered problems – accessing finance, accessing market work and business opportunities, expanding formal and informal support networks, accessing educational experiences, maintaining the care economy and securing personal safety – it becomes immediately clear, that the ‘problem’ in the Indian context is explicitly identified not as differentiated needs for women and men, but as unequal power relations.
between women and men. Here, gender is understood not as a biological attribute but rather as a political process involving power. In other words, men enter the design of programs not as a contrast to women, but as relational beings whose behaviours need to change if those behaviours produce disadvantage for women. Evidently, the program design in India recognised the unequal gender norms at play in the everyday lives of the program consumers, and has provided opportunities for redressal, albeit in some cases with limited success.

In the Australian context, the ‘problem’ is linked to the ‘differences’ in the lives of women and men experiencing poverty as ‘separate’ and ‘fixed’ entities thereby naturalising and neutralising the unequal power relations between men and women. Here, gender is understood not as a political process, but rather a fixed attribute of gendered roles with limited relevance to inequalities. While the design of programs in Australia remains silent with regard to the unequal gendered norms within which program consumers lives are enmeshed, certain features of the design are sensitive to gendered needs and therefore able to redress these needs, but provide little opportunity to contest the underlying gendered norms that produce these gendered needs. Such an approach to program design is therefore incapable of opening up the norms for debate, contestation and transformation.

Through a comparison of gender in the problematisations in India and Australia, the chapter has drawn out the gendered norms operating in each context and the extent to which the design of program directly or inadvertently has provided an opportunity to contest them. This chapter has presented the findings with regard to the gendered norms operating in both societies as represented by microfinance program consumers.
Chapter 8: Conclusion and future directions

The thesis began with the purpose of seeking consumers’ understandings of gender inequalities in the policy and practice of microfinance in India and Australia. Starting with the theoretical framework of the Capability Approach (CA) (Sen, 1985a,b, 1993, 1995, 1999, 2004) and its insistence on a broader informational space, that is, the ‘capability space’ versus ‘utility space’, this study has made a commitment to exploring both the economic and beyond economic understandings of the impact of the policy and practice of microfinance. In addition, the thesis sought to provide an alternative to conventional approaches to the examination of the relationship between microfinance and gender inequalities which often begin with an apriori notion of what gender inequality is, and how microfinance addresses or does not address it. The approach utilised in this study, began with the inquiry of what gender inequalities are (or are represented to be) through the narratives of microfinance program consumers. To this end, program consumers of microfinance in India and Australia were interviewed. Responses to questions regarding their experiences with the program, significant changes since joining the program and the gendered effects or outcomes of the program if any, were sought.

This study is situated within the broader field of international social policy studies, particularly within the sub-discipline of feminist social policy studies. The theoretical framework of the CA, the methodological perspective of social construction and the analytical tools of comparing problematisations, has facilitated a critical examination of the normative assumptions in international development policy and practice concerning gender and gender based inequalities. As discussed in Chapters 2 and 3, the literature surrounding
microfinance in international development policy has predominantly offered a vision of
gender and gender inequalities based on taken-for-granted assumptions that women’s
participation in the labour market through microfinance is key to addressing gender
inequalities (Armendáriz & Morduch, 2010; Rai & Ravi, 2011; United Nations, 2006;
World Bank, 2007). Prominent feminist critiques have highlighted that such visions of
gender inequalities undermine the transformatory potential of microfinance programs. For
instance, feminists have claimed that microfinance programs undermine women’s interests
by equating economic empowerment with program success (Ferguson, 2010; Jakimov &
Kilby, 2006; Kannabiran, 2005; Kilby, 2006), by undermining care work and exacerbating
relations of domination and subordination (Garikipathi, 2008; Goetz & Gupta, 1996; Leach
& Sitaram, 2002; Rahman, 1999; Vonderlack-Navarro, 2010), and by colluding with
neoliberal governments to place the onus of development on poor women (Benería, 2003;
Fraser, 2009; Hulme & Arun, 2009; Rankin, 2001, 2008). Using these criticisms as a
starting point, the research design of the thesis (Chapter 4) allowed for an examination of
dominant, marginal and different representation of gender inequalities. That is, by drawing
out and scrutinising the narratives of microfinance program consumers, the underpinning
gender norms were exposed. Rather than viewing Australia as a gender equal developed
context and India as a gender unequal developing context, this study reveals that
depending on how policies define and construct gender inequalities in specific contexts,
those policies can have empowering or disempowering effects on men and women affected
by these policies.
The study pursued two broad research goals. Firstly, to *explore the utility of the capability approach to critically engage in understanding gender inequality and gender relations in the context of microfinance in India and Australia?* As discussed in Chapter 3 the usefulness of the CA (Agarwal et al., 2005; Chattier, 2012; Nussbaum, 2000; Robeyns, 2005a) to attend to the feminist transformatory research goals of this thesis was twofold. Firstly, to distinguish between means and ends in programs such as microfinance (Hick, 2012; Robeyns, 2005a). Literature surrounding gender inequalities and microfinance was shown to be dominated by the focus on means – credit, assets, resources, income – but paid limited attention to what people ‘wanted to be and do’. Therefore, the CA broadened the informational space of the inquiry and facilitated the research study to ask particular questions which moved the focus beyond the utilitarian understanding of gender inequalities in microfinance. In other words, the CA allowed the study to examine gender inequalities in microfinance “by comparing those things that intrinsically matter…rather than just the means like primary goods or resources” (Sen, 1995, p. 125). Secondly, because the CA is regarded as ethically individualistic but ontologically non individualistic, able to capture market and non-market setting and account for human diversity (Robeyns, 2005b, pp. 66 – 69), the interview questions posed and the way in which they were analysed attended to non-economic concerns. Therefore, the interview questions moved beyond the rudimentary focus on who takes the credit, who invests the money, who takes the income earned, who makes household financial decisions, or what is the interest rate. Rather, the questions also sought information on what consumers wanted to achieve with the loans, how they defined the problems, whether these problems were different for men and women, and how microfinance, if at all, provided remedial measures.
Chapter 3 highlighted that while the CA was a strong theoretical base for this study, its value was constrained by the insufficient treatment of the social construction of meaning (Deneulin & McGregor, 2010; Bowman, 2010; Unterhalter, 2008; Hill, 2007). As discussed in Chapter 4, in this thesis CA was complemented and operationalised through interpretive methodology of social construction and analytical tools of problematisations. Building on Bacchi’s (2012) methods of interrogating problematisations and Rönnblom’s (2012, 2005) comparing problem representations, the thesis has accessed problem representations surrounding gender inequalities and microfinance through narratives of microfinance program consumers. By doing this, the study has been able to elucidate the normative assumptions that inform these problem representations. The goal then, was not to find the ‘true’ understanding of gender inequality. Rather, the goal was to critically scrutinise representations of gender inequality, as they emerge in the practices of microfinance consumption, in order to highlight normative assumptions and silences. As Bacchi suggests, “Shifting the focus from ‘gender’ as part of people to gender as a political process also creates an opportunity to examine the impact of gendered assumptions on the maintenance of hierarchical social relations beyond those between ‘women’ and ‘men’” (2010, p. 69, emphasis original).

This research study is conscious of the ‘ontological politics’ (Bacchi, 2012; Law, 2009; Mol, 2002) inherent in the research process. Akin to feminist researchers wary about interpretation-free research (Bacchi, 1999; Harding, 1987; Neilsen, 1990), this research study has made explicit its ‘strategic interventions’ to reconfigure unequal gender relations, through a feminist appropriation of the CA (Chapter 3). The theoretical framework of CA
was adopted as a meta-politico-ethical criterion against which problem representations were scrutinised. In other words, gender inequalities refracted through the capability lens, informed the assumptions and understandings of how inequalities could be addressed, and the problem representations accessed in this study were interpreted through that light. That is, program consumers’ narratives were examined against a particular kind of gender equality, the goal of which was to expand freedoms.

The second broad research goal of thesis was to explore, How can ‘knowledge’ from India - about microfinance, gender inequalities and their relationship - be drawn upon to influence the design of microfinance policy and practice in Australia? Chapter 2 highlighted that the dominant ‘knowledge’ surrounding microfinance policy and practice in India and Australia was focussed on the debates on sustainability, outreach and impacts. Therefore, the initial focus on knowledge that the study sought to transfer from India to Australia focussed primarily on these issues. But over the course of the study, as the methodological perspectives, epistemological links and ontological views of the thesis became sharper and the findings more nuanced, the notion of ‘knowledge’ was recast from technical transfers or adaptations (McDonnell, 1999; Moyle & Dollard, 2008; Pearson, 1998) to theoretical and methodological learnings (Rönnblom, 2012; Kabeer et al., 2008). In other words, rather than seeking a particular model of microfinance to replicate in the Australian setting, the quest evolved to seek out representations and silences in the construction of gender inequalities in microfinance in India and Australia.

As demonstrated in the data chapters 5, and 6, through a comparison of gender in the problem representations in India and Australia, the thesis has made visible the gendered
norms operating in each context and the extent to which the design of program directly or inadvertently provided an opportunity to contest them. The comparative element of the study revealed shared normative assumptions as well as context-related silences with regard to gender. The ‘knowledge’ then, pertained to how gender operated in the program design and if this had a potential for transformative social change. The detailed discussion of the findings in Chapter 7 reveals that the program design in India, recognised the unequal gender norms at stake in the everyday lives of the program consumers, and provided opportunities for redressal, albeit in some cases with limited success. While the designs of programs in Australia remained silent with regard to the unequal gendered norms within which program consumers lives were enmeshed, certain features of the design were sensitive to gendered needs and therefore able to redress these needs, but provided little opportunity to contest the underlying gendered norms that produce these gendered needs.

For instance, the loan process, loan use and primary subjects of microfinance in Australia revealed that microfinance was accessed as a by-product service when seeking out other services through community organisations. It was primarily used to meet unexpected and sometimes urgent expenses related to household maintenance, which inadvertently made women the primary subjects of the programs. On the other hand, in the Indian setting, the loans were targeted at women, primarily for investment in market activity in collaboration with male kin (who were relatively more familiar with labour market processes). In the Australian context, even though the design of microfinance does not explicitly target women or men, the purpose of loan, the way in which the program operated and the subjects of the program indicate that, microfinance was attentive to the needs of women
with primary caring responsibilities and limited familiarity with mainstream financial and labour markets. While the design in the Indian setting was different, in that it was targeted particularly at women, it was similar to the Australian setting in terms of loan use and loan subjects, indicating the programs sensitivity to the needs of those with primary caring responsibilities and limited financial and labour market familiarity.

These findings have clarified that the design of programs in both countries are gendered, albeit in very different ways. This contrasts with mainstream approaches to microfinance in Australia, in particular where it has been framed as gender neutral (Goodwin & Voola, 2013). This information has significant policy implications in terms of ‘knowledge transfer’ for future design of programs in Australia. For instance, as has been revealed through the findings, the design of programs in Australia through accumulation of assets are providing for a particular gendered need – care work. This necessitates further investigation of the extent to which microfinance programs are able to develop, maintain or sustain the care economy. Clearly, the nature and size of the loan is unable to address poverty wholesale, but the ability to recognise and cater to the non-market settings makes microfinance a gender equality enhancing initiative.

Similarly, the ability of programs to develop, maintain or sustain ‘autonomous households’ when family relationships dissipate warrants further examination. That is, Australian microfinance programs could be part of the domestic violence policy in providing a sense of confidence (as well as material resources) required in establishing independent lives. For instance, the financial literacy component of programs could be designed to recognise and contest conceptions of men’s sense of entitlement to family income, women’s
perception of fixed gender roles and cultural perceptions of women’s inability to manage finances (Corrie & Mcguire, 2013; Desmond, 2011; Landvogt, 2013; Macdonald, 2012).

Additionally, further research is necessary on potential programs which can provide innovative opportunities for flexible entry and exit from market work, such as self-employment. The above examples clarify that the methodological approach of this thesis, has elucidated ‘knowledge’ where the different empirical materials (interviews from both contexts) were engaged in a dialogue such that “the comparative element creates space for distance from and reflection on the different cases. It also destabilises instead of fixes a specific normative representations of gender equality and in that way opens up dominant problem representations for critique as well as enabling the generation of alternatives” (Rönnblom, 2012, p. 134).

The thesis has relied on narratives of men and women associated with microfinance and this had added depth and richness to the findings. The analytical technique of apprehending gender in the problematisations and comparing the same across contexts has facilitated the comparative ambition of the study despite contextual differences. By doing so, the thesis has broadened the discussion and application of the theoretical framework and the analytical technique in a very original way. The rich array of disciplinary fields – social policy, international development, feminist economics, sociology and political economy - that the thesis weaved together provided a ground to raise and examine new and challenging questions.
For instance, the thesis has identified some key questions which are beyond the scope of the study but could provide a pathway for future research inquiry in the field of international development, social policy and gender studies. They are:

i) Feminist theorists have identified men’s privileged irresponsibility for care giving (Cass, 1994; Folbre, 1994; Lister, 2003) and this has been a significant finding of this study, therefore, further research questions could be, ‘What is the association between care work and microfinance?’ ‘Is care analysis necessary to provide an account of gender concerns in microfinance policy and practice?’

ii) The methodology and methods developed in this thesis have provided an alternative to the conventional feminist comparative tradition of testing, ranking, measuring and finding causal explanations for fixed categories to a more dynamic form of comparison where problem representations are in focus (Kvist & Peterson, 2010; Rönnblom, 2012, 2005). As such, future research agenda could examine, ‘What other gender equality and/or poverty alleviation policies can be interrogated through the method of comparing problem representations within and across countries?’

iii) Within the field of international development studies, particularly in the context of microfinance policies and practices, there has been a lack of sustained interest in exploring men’s perspectives and representations of gender based inequalities (Ahmed, 2008; Johnson, 2005; Mayoux, 2010; Vera-Sanso, 2008; Vonderlack-Navarro, 2010) and therefore future research can build upon the methodological and theoretical foundations of this study to raise research questions such as, ‘How are masculinities impacted by or impact upon gendered (explicitly or implicitly) programs such as microfinance?’
Exploring gender inequalities through the narratives of people involved in microfinance, both in India and Australia provided an opportunity to deconstruct or rather destabilise the binaries in the field of international social policy regarding developed and developing countries (Kabeer et al., 2008; Connell, 2007). Despite differences in historical, political, cultural backgrounds, the research design made it possible to draw out rich insights on the varied processes of achieving gender equality in India and Australia. This study is distinct because gender was conceptualised as relational, fluid and in the making, in apposition to previous studies which focused primarily on women and their practical and strategic interests (Kabeer, 2009; Kalpana, 2008; Molyneux, 1985; Moser, 2002). Both men and women associated with microfinance programs were interviewed in order to arrive at the relational representations of gender inequalities. In both countries, the participants were positioned as ‘experts’ facilitating critical analysis of the construction of gender inequalities and how these shape policy responses (or non-responses). Therefore, the study opened up a new space to account for gender concerns which can celebrate achievements without glossing over injustices and omissions.
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Appendices

Appendix 1

A stylised non-dynamic representation of a person’s capability set and her social and personal context (Robeyns 2005a, p. 98)
Appendix 2

Figure 1.1 A framework for design – The interconnection of worldviews, strategies of inquiry, and research methods (Creswell, 2009)
Appendix 3

Map of India
Map of Andhra Pradesh

Map of Medak

Indian maps provided by SKS Microfinance during field visits.
Map of Australia highlighting the state of New South Wales (NSW)

Retrieved August 23, 2013, from

https://www.google.com.au/search?q=australia+map+basic+,+NSW&source=lnms&tbn=isch&sa=X&ei=DbMWUtynLofbkWwn5IBY&ved=0CAcQ_AUoAQ&biw=1366&bih=649#facrc=_&imgdii=_&imgref=fkPX
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### Appendix 4

Population of research sites in India.

<table>
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<tr>
<th>Locations</th>
<th>SKS MF population</th>
<th>SKS UPP population</th>
<th>Population of village</th>
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Appendix 5

Nodes list after coding 21 Indian microfinance consumer transcripts (27/6/2012)

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<td>26/06/2012 1:36</td>
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(13/8/2012)

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Appendix 6

Interview Topics (Program consumers) INDIA

Descriptive information
15) Age
16) Marital status
   - Single / Married / Divorced / Deserted / Separated / Widowed / Co-wife
17) Educational profile
   - self
   - parents
   - spouse (present / ex)
18) Household type
   - Single / Nuclear / Joint / Female-headed / other
19) Who do you live with?
20) Occupational history (self, family members)
21) Could you tell me about a typical day in your life?
22) How does the microfinance program work?
23) Who are included?
24) What about those who are excluded?
25) How did you hear about the program?
26) When did you first join the program?
27) What do you hope to gain from this program?

Problem conceptualisation
14) Why do you think SKS is undertaking this project?
15) Who needs this program?
16) What are the reasons for their problem?
17) Is the problem different for woman and men?
18) What are your reasons for undertaking this program?
19) After loan is paid off, what next?
20) Why the focus on women?
21) What about the men?

Solution conceptualisation
22) Is SKS able to achieve its goals?
23) What is the most significant change in your life since having joined the program?
24) Due to the program, is there a change in inequalities?
25) What changes do you foresee for the people in your life?
26) What changes do you foresee for the community, country?

**Interview Topics (Program consumers) Australia**

**Descriptive information**
1) Age
2) Marital status
   - Single / Married / Divorced / Deserted / Separated / Widowed / Co-wife
3) Educational profile
   - self
   - parents
   - spouse (present / ex)
4) Household type
   - Single / Nuclear / Joint / Female-headed / other
5) Who do you live with?
6) Occupational history (self, family members)
7) Could you tell me about a typical day in your life?
8) How does the microfinance program work?
9) Who are included?
10) What about those who are excluded?
11) How did you hear about the program?
12) When did you first join the program?
13) Before NILS did you try to get a loan elsewhere? How was your experience? [perception/experience with banks]
14) What was the purpose of your loan?
15) How much did you take and how did you pay it off?

**Problem conceptualisation**
1) Why do you think this organisation is undertaking this project?
2) Who needs this program?
3) What are the underlying reasons for people having this need?
4) Is the problem different for woman and men?
5) What are your reasons for undertaking this program?
6) After loan is paid off, what next?
7) There is no gender focus; do you think they should? Explain.

Solution conceptualisation
8) Is this organisation able to achieve its goals?
9) What is the most significant change in your life since having joined the program?
10) Due to the program, is there a change in inequalities?
11) What changes do you foresee for the people in your life?
12) What changes do you foresee for the community, country?
PARTICIPANT CONSENT FORM

I, ............................................................., give consent to my participation in the research project

TITLE: Beyond the economics of microfinance: Expanding capabilities to address gender inequalities in the policy and practice of microfinance in India and Australia.

In giving my consent I acknowledge that:

1. The procedures required for the project and the time involved have been explained to me, and any questions I have about the project have been answered to my satisfaction.

2. I have read the Participant Information Statement and have been given the opportunity to discuss the information and my involvement in the project with the researcher(s).

3. I understand that I can withdraw from the study at any time, without affecting my relationship with the researcher(s), or the University of Sydney now or in the future.

4. I understand that my involvement is strictly confidential and no information about me will be used in any way that reveals my identity.

5. I understand that being in this study is completely voluntary – I am not under any obligation to consent.

6. I understand that I can stop the interview at any time if I do not wish to continue, the audio recording and/or photographs taken will be erased and the information provided will not be included in the study.
7. I consent to:
   i) Audio-taping  YES ☐ NO ☐
   ii) Receiving Feedback YES ☐ NO ☐

   If you answered YES to the “Receiving Feedback Question”, please provide your details i.e. mailing address, email address.

**Feedback Option**

Address: _______________________________________________________

........................................................................................................

Email: _______________________________________________________

Signed: ..............................................................................................................................

Name: ..............................................................................................................................

Date: ..............................................................................................................................
PARTICIPANT INFORMATION STATEMENT

(1) What is the study about?

This study seeks to explore microfinance practice and knowledge in India and Australia. Additionally, it aims to explore how gender matters to microfinance.

(2) Who is carrying out the study?

The study is being conducted by Archana Preeti Jetti, PhD candidate, who will form the basis for the degree of PhD at The University of Sydney under the supervision of Dr. Susan Goodwin, Senior Lecturer.

(3) What does the study involve?

The study involves individual interviews which will be audio-taped. These interviews could take place in the offices of the non-governmental organisation or at the University of Sydney.

(4) How much time will the study take?

The interview will take about 45 minutes to 1 hour. If the participant is unable to finish the interview in one session, the interview can be divided into more than one session.
(5) **Can I withdraw from the study?**

Being in this study is completely voluntary - you are not under any obligation to consent and - if you do consent - you can withdraw at any time without affecting your relationship with The University of Sydney or the non-governmental organisation.

You may stop the interview at any time if you do not wish to continue, the audio recording will be erased and the information provided will not be included in the study.

(6) **Will anyone else know the results?**

All aspects of the study, including results, will be strictly confidential and only the researchers will have access to information on participants. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

(7) **Will the study benefit me?**

The study provides an opportunity to voice your experiences with the program and give recommendations on how it can be improved.

(8) **Can I tell other people about the study?**

You are free to tell other people about this study.

(9) **What if I require further information?**

When you have read this information, Archana Preeti Jetti will discuss it with you further and answer any questions you may have. If you would like to know more at any stage, please feel free to contact Archana, PhD student, 0432800114.

(10) **What if I have a complaint or concerns?**

Any person with concerns or complaints about the conduct of a research study can contact The Manager, Human Ethics Administration, University of Sydney on +61 2 8627 8176 (Telephone); +61 2 8627 8177 (Facsimile) or ro.humanethics@sydney.edu.au (Email).

This information sheet is for you to keep.
Appendix 9
Informed consent – India (Telugu)

పరిసర సంస్థలో ఉన్నత విద్యార్థులకు ఉన్నత విద్యా ప్రాంభ కార్యక్రమం యాపరాత్రి అంగమైన పిల్లల కొలువు కానం ప్రతి పిల్లలను సంపాదించాలని అర్థాది ఉండదు. 

1. పిల్లల కొలువు కాను నిమ్నలో ఉన్నత విద్యా ప్రాంభ కార్యక్రమం యాపరాత్రి అంగమైన పిల్లల కొలువు కానం ప్రతి పిల్లలను సంపాదించాలని అర్థాది ఉండదు. 
2. పిల్లల కొలువు కాను నిమ్నలో ఉన్నత విద్యా ప్రాంభ కార్యక్రమం యాపరాత్రి అంగమైన పిల్లల కొలువు కానం ప్రతి పిల్లలను సంపాదించాలని అర్థాది ఉండదు. 
3. సుఖసన్న, దేశీయ నిమ్నరాశు, రాష్ట్ర సంస్థల ప్రాంభానమైన పిల్లల కొలువు సంపాదించడానికి రాయి ప్రతి పిల్లలను సంపాదించాలని అర్థాది ఉండదు. 
4. పిల్లల కొలువు కాను నిమ్నలో ఉన్నత విద్యా ప్రాంభ కార్యక్రమం యాపరాత్రి అంగమైన పిల్లల కొలువు సంపాదించాలని అర్థాది ఉండదు. 
5. పిల్లల కొలువు సంపాదించడానికి రాయి ప్రతి పిల్లలను సంపాదించాలని అర్థాది ఉండదు. 
6. దేశీయ నిమ్నరాశు సంస్థల ప్రాంభానమైన పిల్లల కొలువు సంపాదించడానికి రాయి ప్రతి పిల్లలను సంపాదించాలని అర్థాది ఉండదు.
7. ఇది మేము లక్షయాంకితం చేశాం.
i) ఎడిత గ్రాంటు సాధనం అందువలు చేశాం  
   □  □

ii) ప్రత్యేక దినాలు సాధనం అందువలు చేశాం  
    □  □

iii) మిత్రం తగిలిని జానింది సాధనం అందువలు చేశాం  
     □  □

మార్గాలు (సాధనం సాధనం తగిలింది, బావులు నిర్ణయం, E-mail పరిస్థితి).

సౌందర్యం:  

______________________________

______________________________

E-mail:  

______________________________

ప్రత్యేకం:  

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ప్రత్యేకం:  

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ప్రత్యేకం:  

______________________________

ప్రత్యేకం:  

______________________________
Appendix 10
Participant Information Statement – India (Telugu)

Faculty of Education and Social Work

ABN 15 211 513 464
Dr. Susan Goodwin,
Senior Lecturer

Room A35.730
Building and code
The University of Sydney
NSW 2006 AUSTRALIA
Telephone: +61 2 9351 3282
Facsimile: +61 2 9351 378
Email:susan.goodwin@sydney.edu.au
Web: http://www.usyd.edu.au/

1. ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

ఎందుకు ఈ ప్రశ్నలు ఉంటాయి? ఎందుకు ఈ ప్రశ్నలు ఉంటాయి? ఎందుకు ఈ ప్రశ్నలు ఉంటాయి? ఎందుకు ఈ ప్రశ్నలు ఉంటాయి? ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

2. ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

3. ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

4. ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

5. ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

6. దీని పైనిక ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

దీని పైనిక ఎందుకు ఈ ప్రశ్నలు ఉంటాయి?

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7. అయితే ఆయా కారణాలు ఉండటానికి అవగాహితం. ఏ అవగాహనం పొందడానికి శేష ఆడవడానికి. ఏకైక అంగం మరియు విభాగాలు అయితే కొనసాగటానికి.

8. అయితే అనుభవానికి అవగాహితం ఉండదు?
అనుభవం సమాధానం విషయం కలిగి ఉండటాన్ని. లేకుండా ఉండటానికి.

9. సంఘాత మరియు మానవ సంస్థలు?
మానవ సంస్థలు స్వయంభు సంస్థలు వంటి ప్రతి మానవ సంస్థలు అయితే సాధారణంగా మానవ సంస్థలు అవగాహితం వారించాం. మానవ సంస్థలు సంస్థలు కోసం అవసరాలను అందించాం అయితే ప్రధానంగా అవగాహితం ఉండాలి.

10. మానవరం సంస్థలు, ఏ రూపాల్లో అవగాహితం ఉండటానికి?

మానవరం సంస్థలు మనుషుల కోసం అవగాహితం కావటానికి. Manager, Human Ethics Administration, University of Sydney, Ph. Nos. +61 28672 8176 సితి Fax : +61 28627 8177 సితి
రూపాలు hr.humanethics@sydney.edu.au డీడ్ సెంటర్.

మనుషులు మానసికంగా ప్రతి శాంతిసాగాలి.
Appendix 11
Interview Questions – Translated in Telugu

ప్రఖ్యాత నిచ్ఛండ విషయాలు సంచాలనం

1. ఆరంభ రింగ్ లో ఎంత సమయం నిర్ధారణ చేస్తున్నారో?

2. ఆమెగాంధీ లేదా మాదము సంస్థలు? (డిట్రింగ్ లేదా రెండు ఫోటో లేదా మాదము)

3. కి మిశ్రమం కల్పించాలి మాదము?

4. SKS లేదా మరొక రీతిగా మిశ్రమం నిర్ధారించాలి? మిశ్రమం అంతరాలు లేదా ప్రశ్నలు ఉంది అనుమానం?

5. అడుగు ప్రయోజనాలు లేదా ఉండవచ్చు?

6. మిశ్రమం అంతరాలు లేదా ప్రశ్నలు ఉంది అనుమానం?

7. కి పరిస్థితి మిశ్రమం లేదా ఉండవచ్చు?

8. మిశ్రమం అంతరాలు లేదా ప్రశ్నలు ఉంది అనుమానం?

9. మిశ్రమం అంతరాలు లేదా ఉండవచ్చు?

10. మిశ్రమం అంతరాలు లేదా ప్రశ్నలు ఉంది అనుమానం?

11. మిశ్రమం అంతరాలు లేదా ఉండవచ్చు?
మాత్రమే జాబితా ప్రిని (ఇంగ్లీషు వంటి) అభివృద్ధి

చరిత్రానం:

1. చిత్తు
2. విదేశాలు
3. మానవ సమాచార


4. వారు చరిత్రానం

అత్యంతే

ఆరోపితం

యుగం (మానవుడి యుగం వలయం)

5. మా తాను శ్రేణి విధానం.


7. గుర్రా మానవుడు

అనుమతి / పాతి / అనుమతి కాదు / పాతి గణనీరు కాదు / అనుమతి కాదు / పాతి

8. మన శ్రేణి విధానం

9. SKS రాజధాని సమాచారం కాని మనం భారతీయ రాజధాని పైన ఉన్నతం. భారతీయ రాజధాని?

10. మన శ్రేణి విధానం?

11. మన విధానం మిగిలిన వంటి విధానం మిగిలిన వంటి?

12. మన విధానం మిగిలిన వంటి?

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మార్పు అవస్థలు:

13. మాత్రమే కంగ్రెస్ మార్గస్తుంది సమరంతో శేషం చేసావారు?

14. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

ప్రశ్నలు అవస్థలు:

వచ్చిన అంకెలలో

1. SKS మీ కంగ్రెస్ మార్గస్తుంది సమరంతో శేషం చేసావారు?

2. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

3. ముగించడానికి సమరంతో శేషం చేసావారు?

4. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

5. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

6. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

7. SKS మీ కంగ్రెస్ మార్గస్తుంది సమరంతో శేషం చేసావారు?

8. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

9. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

10. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

11. SKS మీ మరణు కాలం సమరంతో శేషం చేసావారు?

12. మీ మరణు కాలం సమరంతో శేషం చేసావారు?

13. మీ మరణు కాలం సమరంతో శేషం చేసావారు?